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NEWS SUMMARY

GENERAL

IRA rejects Pope's pleas
The Pope's pleas for an end to violence in Northern Ireland were rejected outright by the Provisional IRA in Belfast.

Top driver on homicide charge
Italian racing driver Riccardo Patrese was formally charged in Milan with culpable homicide over the death of Swedish driver Ronnie Peterson in last year's Monza Grand Prix.

Speed SALT call
West German Chancellor Helmut Schmidt and French President Valéry Giscard d'Estaing have jointly called for the speedy ratification of the SALT II treaty.

Zimbabwe protest
Britain's new constitution for Zimbabwe, due to be tabled at the Lancaster House talks today, is expected to meet strong opposition from the Patriotic Front.

Home prices slow
Rapid increases in house prices over the last 18 months are beginning to tail off, says a building society survey.

Oil embargo talks
The Arab summit conference will discuss enforcing a selective oil embargo in support of the Arab political cause.

Benefits tax move
Inland Revenue has appointed a private firm of management consultants to study the feasibility of taxing short-term social security benefits.

Brabourne home
Lord and Lady Brabourne, injured in the explosion which killed Lord Mountbatten in August, were discharged from King Edward VII Hospital for Officers in London.

Briefly...
Fosters and specially-produced newspapers are to be used by police in a new tactic to trap the Yorkshire Ripper.

BUSINESS

Gilts fall 0.47; Equities firmer
GILTS falls extended to 1/4 at the official close, but prices were tending to firm in late trade. The Government Securities index dropped 0.47 to 72.19.

WALL STREET was up 10.33 at 3:23:28 near the close.
STERLING fell 25 points to close at \$2.1910, and its trade-weighted index rose from 68.6 to 69.0. The dollar's index rose to \$4.1 (83.5).

FRANCE has ignored Britain's bid to resolve the Common Market debate on reform of the Common Fisheries Policy, and its protests over the French blockade of UK lamb exports.

EGYPT is negotiating a \$5bn long-term contract with an unnamed group for the sale of crude oil. President Sadat announced. Back Page

ESG told steel union leaders that it wants to begin closing down steelmaking at the Shoton plant in north Wales in December. Back Page

AUSTRALIA is planning to raise \$70bn (£14.7bn) through a syndicated loan and public bond issue in Japan at a time when yen lending overseas has slowed sharply. Page 33

MERGER of two of Norway's commercial banks, Christiania Bank of Kreditkasse and Andrensens Bank, was approved by representative councils of both banks. Page 32

ENGINEERING dispute negotiations appear likely to resume soon. Informal meetings between the two sides have taken place to see whether there is sufficient common ground for fresh talks. Page 14

BUNZL Pulp and Paper reported pre-tax profits up by £1.48m to £8.18m for the first half of 1979 on turnover ahead from £104.1m to £110.7m. Page 22

HARRIS QUEENSWAY, the carpets and furniture group, raised pre-tax profits for the first half of 1979 by 77 per cent from £2.8m to £4.98m on turnover up £30.23m (£23.15m). Page 22

IMF meeting expects U.S. monetary curbs

BY JUREK MARTIN AND PETER RIDDELL

Further tightening of U.S. monetary policy is now widely expected in the wake of the continued volatility of both foreign exchange and bullion markets. Mr. Paul Volcker, chairman of the Federal Reserve Board, flew back to Washington three days early yesterday morning for the annual meeting of the International Monetary Fund and the World Bank in the Yugoslav capital.

Gold and currency prices fluctuate wildly

By Nicholas Colchester in London and David Marsh in Frankfurt

THE PRICE of gold and most of the world's major currencies fluctuated wildly yesterday. The Bundesbank released figures during the day showing that the increase in its reserves in September had been DM 9.5bn — the largest monthly increase since the era of floating rates began.

U.S. plans to cut car production

BY STEWART FLEMING IN NEW YORK

THE U.S. CAR industry plans to cut production sharply in the last three months of the year — evidence that hopes for a revival in car sales are fading as the economy weakens.

Reserves fall by \$554m

BY DAVID FREUD

THE UNDERLYING level of Britain's official reserves fell last month by the largest amount since spring last year. The fall suggests that there was substantial intervention by the Bank of England to steady the exchange rate when sterling fell rapidly in the middle of September.

Wounding defeat for Callaghan

BY RICHARD EVANS, LOBBY EDITOR

THE LABOUR Party conference inflicted a wounding defeat on Mr. James Callaghan and party moderates yesterday when it voted for the mandatory re-selection of MPs in each Parliament.

What's going on down under?

It's all in ANZ Bank's Business Indicators

ANZ Bank's regular publication, "Business Indicators", combines authority and conciseness in the most acceptable way. It includes a general economic view of the Australian scene, with special emphasis on monetary conditions and employment.

Table with 2 columns: RISES and FALLS, listing various commodities and their price changes.

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Schmidt, Giscard call for speedy SALT approval

BY ROGER BOYES IN BONN

HERR HELMUT SCHMIDT, the West German Chancellor, and President Valéry Giscard d'Estaing of France yesterday jointly called for the speedy ratification of the Strategic Arms Limitation Treaty (SALT II)...

cussions, which also included Herr Hans Dietrich Genscher, the German Foreign Minister, and M. Jean Francois-Poncet, his French counterpart. The vexed question of the contribution by Britain and Italy to the European Community budget, which was discussed by the two leaders...

stress on yesterday that Bonn and Paris were anxious to discourage agricultural surpluses within the Community. The French President was quick to state that the Franco-German talks were not designed to override Community decisions; they were merely one way of smoothing the path within the EEC.



Chancellor Helmut Schmidt (left) and President Giscard d'Estaing ... broad agreement in Bonn.

Pressure for new Swedish government

By William Dufforce in Stockholm

SWEDEN'S three non-Socialist parties came under growing pressure yesterday to speed the formation of a Government. Ingemar Bengtsson, newly-elected Speaker of the Riksdag (Parliament), called in the party leaders...

French N-plants go ahead despite fears on safety

BY TERRY DODSWORTH IN PARIS

THE FRENCH electricity generating board, Electricité de France, has decided to start bringing into operation two new nuclear power stations despite continuing trade union protests about faulty metal components in the plants.

While admitting that there are cracks in certain key reactor components, the ministry's safety inspectorate says they present no immediate risk. The cracks, up to 7 mm deep in material 30 cm thick, will have to be ten times deeper to cause a break.

first is in tubes leading from the reactor, and the second in a plate adjoining the electricity generating turbines. Inspections have revealed the faults in the components still in the factories, on stations under construction and in reactors ready to go into operation.

Machines are being developed by the authorities to inspect the cracks and undertake repair work by remote control in the radioactive areas. These robots should be ready within the next two years. Meanwhile, different manufacturing methods are said to eradicate the faults in the components.

Norwegian liquidity tightened

OSLO — Commercial banks have persuaded the Bank of Norway to accept a liquidity-tightening measure, which will save the banks Nkr 108m (£10.16m) a year, a spokesman for the Norwegian Banking Association said.

Slow growth forecast for Swiss economy

BY JOHN WICKS IN ZURICH

SWITZERLAND'S ECONOMIC growth is likely to continue to be slow this year and to show only a slight acceleration in 1980, according to a report prepared by the Zurich-based Federal Polytechnic.

forecasts a rise in gross domestic product of some 0.5 per cent in real terms this year, and of about 1.4 per cent in 1980. While the price-adjusted growth rate for private consumption is expected to pick up from 1.2 per cent this year to 1.6 per cent in 1980, public spending is expected to keep to this year's estimated increase rate of only 1 per cent.

from 5 per cent in 1979 to only 1 per cent in 1980, due largely to a slow-down from 13 per cent to only 1.2 per cent in real terms in the rate of increase in housing investment. Expenditure on plant and equipment, however, should rise by 5 per cent this year and 5.2 per cent next, exclusive of price increases.

per cent next year. While invisible exports are likely to fall, at 1970 prices, by 3.9 per cent this year and show a minimal 0.1 per cent rise in 1980, commodity exports are expected to grow by 3 and 4.4 per cent respectively.

Talks fail to ban napalm and landmines

BY BRIJ KHINDARIA IN GENEVA

AN 80-NATION conference aimed at banning the use of weapons such as napalm, booby traps and fragmentation bombs broke up late last month without an overall treaty, after disagreements on how far such bans should go. Negotiations are unlikely to resume soon.

by the Nordic States insisted that such guerrillas should be treated as being no part with civilians, or at least be given the rights to protection usually accorded to regular soldiers. The U.S. showed itself ready partially to go along with that view, and suggested that the starting-point for talks should be a deal worked out in Geneva two years ago in separate negotiations, to update the 1949 Geneva Conventions about the conduct of war and treatment of prisoners.

targets located in or near cities and to dislodge soldiers dug into fortifications. The U.S., for example, used napalm to bring Vietnamese soldiers out of underground tunnels during the Vietnam war. Delegates agreed on a ban on converting innocent objects such as toys into booby traps, but dispute grew over the use of landmines.

But several countries felt that, under certain conditions the obligation to report should not be binding.

In a pessimistic statement after its council meeting, the LO said strong and even hurtful measures were needed to put the Swedish economy back on its feet. "These are unlikely to be taken by a divided and weakly-based Government," it added.

Yugoslavia prices

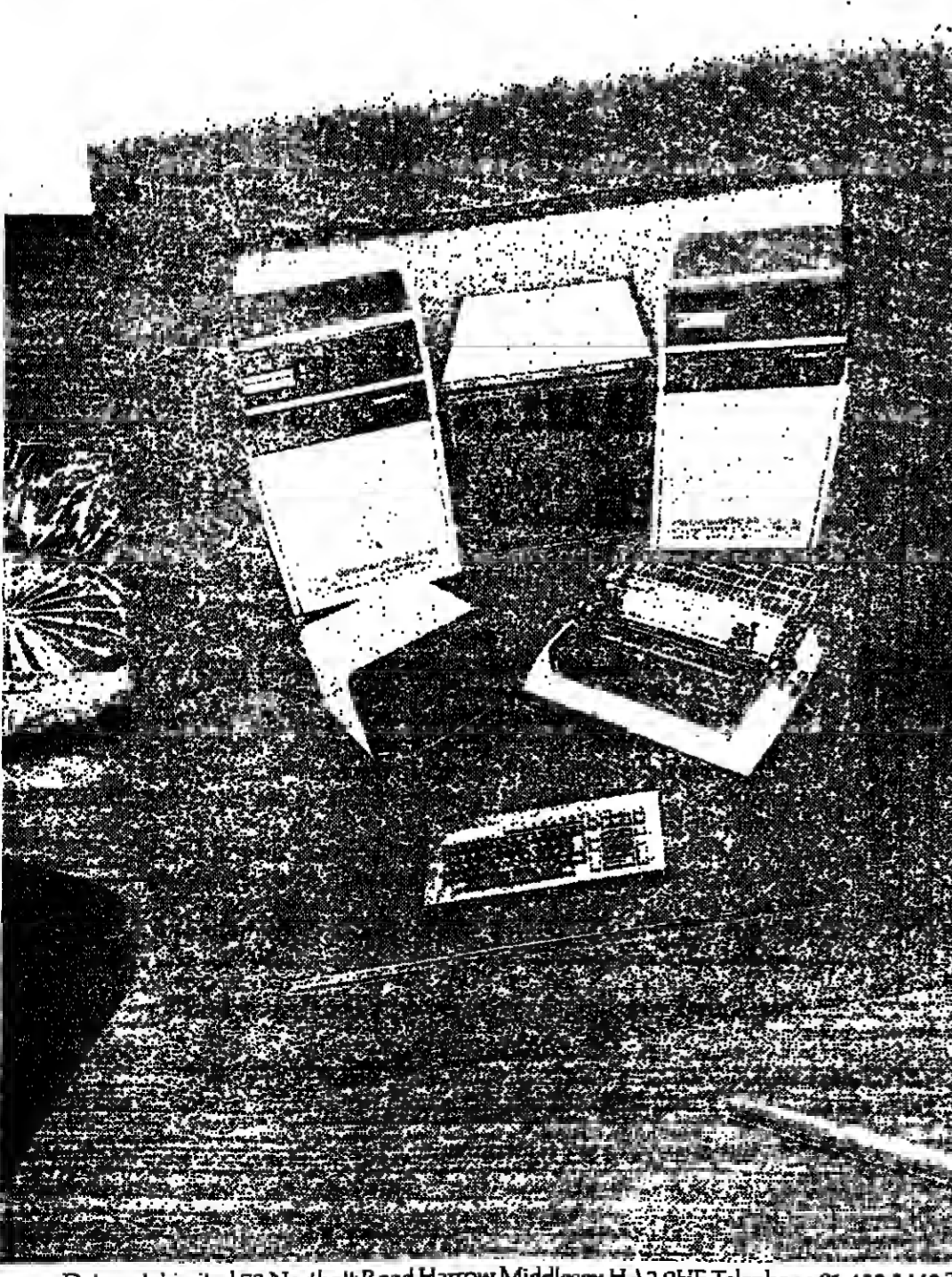
The price freeze imposed in Yugoslavia in early August has been partially lifted, with the decision of the Government to allow certain price increases for goods and services regulated by the federal authorities, writes our Belgrade correspondent.

Portugal seeks NATO aid

LISBON — General Antonio Ramalho Eanes, the Portuguese President, says Portugal cannot make its full contribution to NATO without more military aid from its allies. The President, also Commander-in-Chief of the Portuguese armed forces, spoke at a dinner last night in honour of General Bernard Rogers, Supreme Commander Allied Forces Europe.

Our recuperation. "We can see here the fundamental role of aid from alliance members, but they have not yet given Portugal the necessary means which have been promised for a long time," he said. It was clear that Portugal could only give a full contribution to the alliance in the military field when it had rationally prepared and equipped and modernised armed forces to compare with its partners in the alliance.

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Gonzalez looks to broaden party's appeal

BY ROBERT GRAHAM IN MADRID

THE WEEKEND special congress of the Socialist party has confirmed that Sr. Felipe Gonzalez is the party's major electoral asset.

His conduct since resigning the leadership over ideological differences at the May congress has enhanced his national standing. He is now probably Spain's most popular political figure, certainly the most attractive. He knows this and so does his party.

By being confirmed in the leadership with overwhelming support, and at a time when Prime Minister Adolfo Suarez looks weak and indecisive, Sr. Gonzalez emerges more and more as the right kind of material for a future Premier.

Yet the congress has not satisfactorily resolved one key question—does Sr. Gonzalez have the right kind of party to lead him to power? The Socialists hold 122 seats out of 350 in Parliament and have 29 per cent of the vote. To come to power, the Socialists must broaden their appeal, especially if they are to continue rejecting an alliance at the national level with the Communists.

However, the electorate remains puzzled as to what the party represents—or rather, what it seeks to represent. Sr. Gonzalez and his associates on the new executive are moderates and pragmatists. They dislike being called social democrats, but this is the direction in which they are pointing. The voting patterns under the democracy show the bulk vote as centrist, and Sr. Gonzalez is too shrewd to ignore this.

Class party

The party, on the other hand, continues to call itself the Spanish Socialist Workers Party. Its ideology continues to pay homage to Marx and defines itself as a class and mass party, so allowing it to be a hostage to propaganda from the Right associating it with the Communists.

Although the party officially sets out to represent the interests of the workers, one look at the delegates attending the conference shows the decision-makers to be fundamentally middle-class liberals and intellectuals.

Productivity threat to E. Europe growth rate

By Brij Khindaria in Geneva

THE RATE of economic growth in Eastern European countries could fall by more than half, to 0.7 per cent annually for the years 1978-1980, down from the 1.9 per cent achieved between 1976-1980.

This could happen if the governments fail to raise labour productivity, according to a report by the International Labour Organisation (ILO).

Labour productivity has fallen in the East, because governments aimed at using labour-intensive production methods to create jobs instead of aiming at using workers more efficiently. Such production methods also prevented the development of advanced technology and modern management methods.

The organisation is a specialised agency of the United Nations dealing with world labour problems. It is the only UN body which includes representatives from employers and workers' groups as well as governments.

Severe labour shortages have begun to appear in Eastern European countries because of falling birth-rates and fewer women wishing to work. Older people are also no longer seeking jobs after retirement because of better social security benefits, the report says.

The troubles have occurred because the system of State-owned enterprise reduces opportunities for innovations and puts a brake on labour productivity by stifling incentives, it adds.

Eastern Governments should allow a larger role for market forces and reduce wastage of working time by improving management, tightening workers' discipline, modernising production methods, and using machinery and workers' skills more fully.

The report's criticism of State-owned enterprise and Eastern European management methods should win sympathy from the staunchly anti-Communist AFL-CIO trade union conglomerate in the U.S., which strongly supported U.S. withdrawal from the ILO three years ago. The U.S. withdrew out of the ILO's budget by 25 per cent, seriously affecting its work.

At present, the AFL-CIO is reconsidering its opposition to U.S. membership

Dire forecast for Danish economy in 1980

BY OUR COPENHAGEN CORRESPONDENT

DENMARK FACES stagnating output, a fall in private consumption and investment and rising unemployment in 1980, according to a report by the three joint chairmen of the Economic Advisory Council.

The current balance of payments deficit will increase from Dkr 8bn (\$176m) in 1978 to about Dkr 14bn (\$125bn), this year and Dkr 13.2bn (\$118bn) in 1980, says the report.

Meanwhile in a statement at the opening of the new parliamentary year, Mr. Anker

Joergensen, the Prime Minister, called for radical changes in economic policy. He pressed for long-term measures to control incomes, prices and profits and said that the gradualist, periodic policy corrections of the past are no longer sufficient.

It was the Prime Minister's valedictory policy statement before the Folketing (Parliament) is dissolved and an election held on October 23.

The Economic Advisory Council chairmen forecast that gross domestic product

this year will rise by 2.2 per cent but by only 0.3 per cent in 1980. Higher oil prices and increases in indirect taxes imposed by the Government in June will both contribute to stagnation in domestic demand.

Private consumption next year they expect to fall by 1.4 per cent after rising by 0.3 per cent this year, business investment next year to fall by 2.0 per cent after an increase of 0.9 per cent this year, housing investment to decline by 4.5 per cent this

year and 8 per cent in 1980, and public consumption to rise by 5 per cent this year and 2.4 per cent next year.

Export growth is forecast to be cut from 8.2 per cent this year to 2.9 per cent and imports from an increase of 3.2 per cent to a fall of 2 per cent in 1980.

Unemployment should rise from an average this year of 138,000 (6.5 per cent) to 138,000 (7.5 per cent). Average hourly wages are expected to increase by 10.5

per cent this year and 11.5 per cent in 1980 and consumer prices by 2.0 per cent this year and 10 per cent in 1980.

Looking further ahead, the report says that if policy is not changed the current balance of payments deficit will soar to Dkr 27bn (\$235bn) in 1982, but if other countries curtail demand more than expected in response to the oil situation, the deficit could rise to Dkr 31bn (\$277bn) while unemployment would exceed 200,000.

Unions hold the key to general election

BY HILARY BARNES IN COPENHAGEN

MOST DANES seem to regard the prospect of a general election on October 23 with little enthusiasm. It comes only two and a-half years after the last one and they cannot see that it will produce a Folketing more workable or yield a government more capable of tackling the increasingly serious economic problems of unemployment, inflation, and a massive current payments deficit.

The only group of people to regard the break-up of the Social Democratic-Liberal coalition after just 13 months in office with any relish are the hardliners at the top of the trade union movement.

The coalition was formed to provide a government with enough support to put through the tough economic measures which are needed. It fell because the Liberals and the Social Democratic Party could not agree on how to implement an incomes policy.

The Social Democrats said that an incomes freeze could only be imposed with the consent of the trade union movement, but the unions set a price for cooperation which the current Folketing was not prepared to pay, namely the introduction of compulsory wage-earner co-ownership.

The Liberals replied that they could not accept that the trade union movement should exercise a right of veto over Government policy. These conflicting approaches to economic policy will dominate the election campaign.

The formation of the Coalition by Mr. Anker Joergensen, the Prime Minister, last year was one of the boldest experiments in Danish politics for a generation. The Liberals, a moderate conservative party originally mainly supported by farmers

but now more broadly based, have throughout this century been the Social Democratic Party's main rivals for power.

Mr. Joergensen relied on the fact that, because there is no natural majority of Left or Right in the Folketing, the Coalition would be more stable than his previous Social Democratic Party's minority Administration and would be able to pursue a long-term economic policy. A key factor in his thinking also was that the SDP parliamentary group would be better placed to resist the demands of an increasingly politicised trade union movement.

It is perhaps hardly surprising if the unions were from the start opposed to the Coalition, but matters were made considerably worse by the fact that Mr. Thomas Nielsen, the union movement chairman, notoriously haroured "a deep personal hatred" (to quote one of Mr. Joergensen's closest Cabinet colleagues) for Mr. Joergensen, which makes co-operation extremely difficult between the trade union movement and the party, the twin pillars of the union movement.

But the Coalition did not increase the party's freedom of manoeuvre. When it became clear last week that Mr. Joergensen could not obtain agreement on economic policy except on terms which would involve a new show-down with the unions' annual congress later this month, he threw in the towel.

The parliamentary problem is that since 1973 there have been 11 parties in the Folketing and there is no working majority on either Left or Right.

On the Right, Mr. Mogens Glistrup's tax revolt Progress

Party, with 26 out of 178 seats, is regarded by the other parties of the Right and Centre as too irresponsible and unreliable to enable them to form a Government which would need to rely on Progress Party support.

On the Left there is a similar problem. There are three extreme parties: the Socialist People's Party, the Communists and the Left Socialists (a fourth, the Communist Worker's Party, will contest the election). The Social Democrats neither can nor will form a Government based on the support of these parties.

The election is not expected to bring about any fundamental change. The Progress Party may lose a few seats and the Leftist parties make a few gains, but the balance between the Social Democrats and the moderate Right will change only slightly.

The Liberals, Conservatives, Christian People's Party and the Centre Democrats are campaigning for the formation of a non-Socialist Government. But although the Conservatives appear willing to accept that it should be based on the tacit support of the Progress Party, the other parties are cautious about accepting this premise, and the radicals who traditionally are allies of the Social Democrats, will certainly not support such a Government.

A Social Democratic minority Government may well be the outcome of the election therefore, although a non-Socialist minority Government, possibly as a Liberal minority Government, is also a possibility.

Some observers also think that an SDP Coalition with several of the non-Socialist parties, such as the Liberals, Radicals and Conservatives, is

feasible, but it is difficult to see how this would resolve the problems arising from the Social Democratic ties to the union movement.

No one denies that the economic situation requires radical solutions. Unemployment is expected to average about 6.5 per cent this year and to rise in 1980. The balance of payments on the current account has been in deficit each year since 1968 and the net foreign debt by the end of this year will be about Dkr 70bn (\$61bn), roughly 20 per cent of Gross Domestic Product.

The current deficit this year will increase from Dkr 8bn (\$176m) in 1978 to Dkr 14bn (\$125bn) in 1979, and all forecasts predict a substantial increase in the deficit next year.

Despite a relatively moderate collective wage settlement in the spring, wage rates so far this year appear on preliminary evidence to have risen by about 1 per cent a month. Consumer prices rose by 12.3 per cent in the 11 months to August.

These problems have been made much more difficult to cope with by oil price rises, which will not only increase the trade deficit but, because wages, salaries and social security benefits are indexed, will mean that higher import prices are passed on as higher wages.

The habit of doing nothing effective to curb the external deficit and horrowing heavily abroad caused Mr. Erik Holmeyer, the Central bank governor, to write in an article last week: "It is no wonder that people abroad are increasingly critical and that the expression 'Irresponsible' is becoming widespread."

Remarks like this reflect the feeling that unless something effective is done to curb the

external deficit soon the country will begin to find that it cannot borrow on the first-class terms which it has so far always enjoyed.

The Liberals and the SDP accept that an incomes freeze is the best solution, but the latter will not impose a freeze without the prior support of the unions.

The scheme for wage-earner co-ownership which the unions and the Social Democrats have jointly put forward as their chief proposal for an incomes freeze is made of 10 per cent of corporate profits to be used to fund a union-controlled investment fund, which would receive the money in companies as equity capital.

But the scheme has no chance of gaining traction, backing in the current election.

Singapore Bus Service ahead

By Our Singapore Correspondent

SINGAPORE BUS Service 1978-79 reported post-tax profit of \$85.1m (U.S.\$ 237m) for the half year ended June 30. Turnover for the six months was \$107.8m (U.S.\$ 301m). No comparable figures for the corresponding period of 1978 were available as the company started business in April last year, taking over from its predecessor as a result of a capital reconstruction.

Singapore Bus disclosed that it incurred an operating loss in July and August this year as a result of increases in diesel price and wages. However, with the upward revision in bus fares from last month, the group expects full year profits to be satisfactory.

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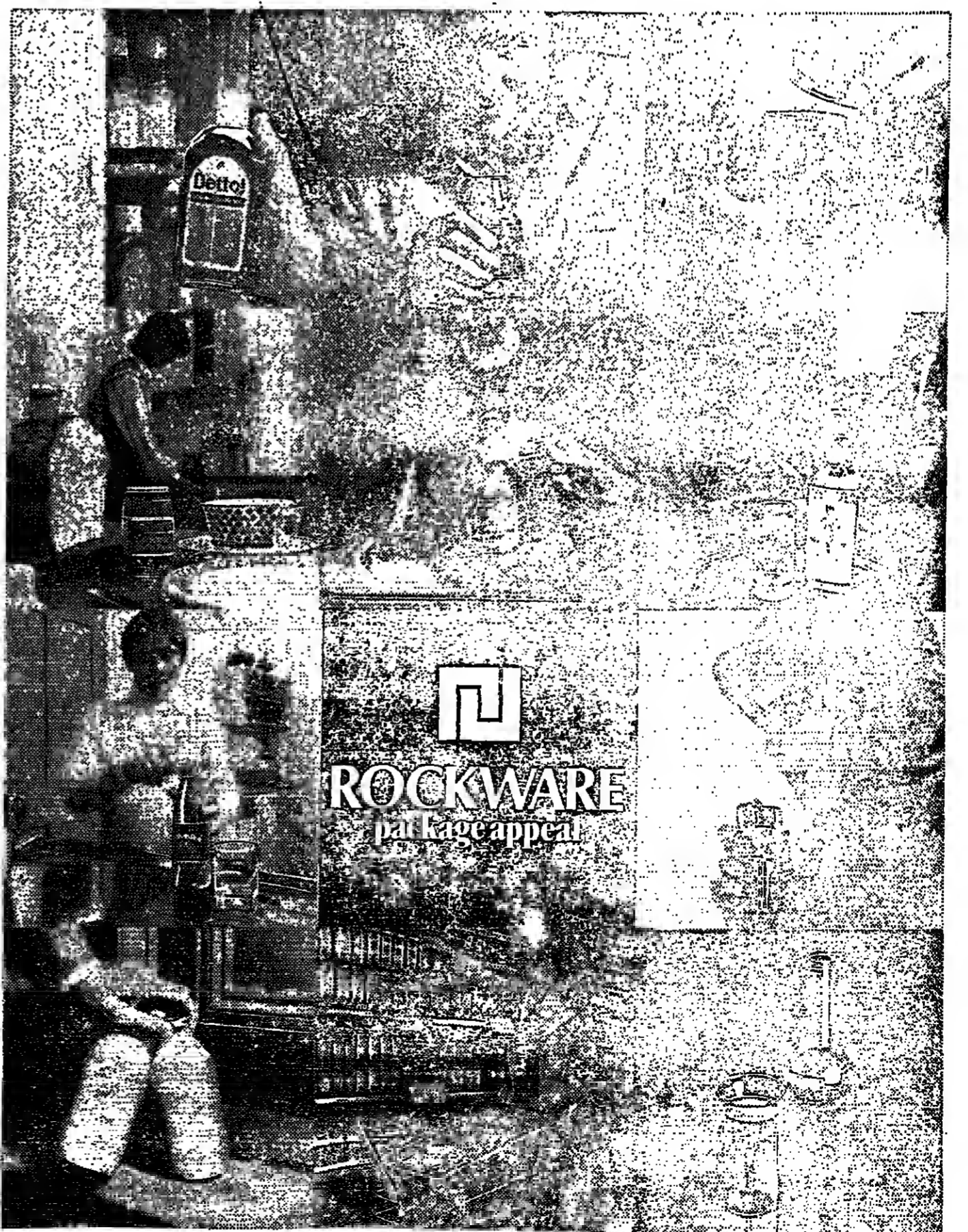
The Widemouth bottle has swung the initiative in take-home drinks back into glass. The lighter-weight Pintie is achieving substantial economies for the Dairy industry. Rockware has contributed effectively to the increased consumer appeal of such diverse products as Shippams pastes, Beefeater gin, Kia-Ora squashes and Guy Laroche perfumes.

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OVERSEAS NEWS

Arab summit 'to discuss selective oil embargo'

By IHSAN HIJAZI IN BEIRUT

THE FORTHCOMING Arab Summit conference will discuss the enforcement of a selective oil embargo in support of the Arab political cause, Dr. Saadoun Hammadi, Iraqi Foreign Minister, was quoted as saying here yesterday.

In an interview in An Nahar, Lebanon's leading daily newspaper, Dr. Hammadi pointed out that this was not only the Iraqi view but also that of several Arab oil-producing countries. He did not name them.

The next Arab summit is due next month, a year after Arab heads of state met in Baghdad and formulated a common strategy opposed to the Camp David accords between Egypt and Israel.

The Lebanese Government

has been pressing for an earlier summit because it wants a joint Arab stand on the Palestinian-Israeli confrontation in South Lebanon. Dr. Selim Al Hoss, Prime Minister of Lebanon, is to visit Jeddah on Saturday to try to meet to boost the projected summit meeting.

Dr. Hammadi was quoted as saying: "We have friends in the world who need to have their energy requirements ensured. We must provide them with what they need and expect to have their support where our political cause is concerned."

"As for our enemies, we must give them an opportunity, and if they fail to take it, then they must be punished where oil supplies are concerned. There is nothing that says we must help our enemies when

they do not help us."

Dr. Hammadi's remarks made in New York where he is attending the United Nations General Assembly, came only two days after Col. Moammar Gaddafi of Libya said his country and Saudi Arabia ought to use their oil wealth and bank deposits in the U.S. and other Western countries as a weapon to serve the Arab and Palestinian cause.

In the same interview, Dr. Hammadi indicated that Iraq's relations with neighbouring Iraq were strained. The revolutionary leaders in Tehran had become "conceited" and wanted to export their revolution.

In an interview with the same Lebanese newspaper, Dr. Mustafa Chamran, Iran's new Defence Minister, denied this

Phnom Penh gives relief operations go-ahead

By Richard Nations in Bangkok

PHNOM PENH yesterday announced the conditions it has laid down for the Red Cross and United Nations Children's Fund (UNICEF) to begin the large scale relief operation in starving Cambodians stalled by two months of political manoeuvring.

The fact that the Heng Samrin Government has made public agreement with the international agencies is taken by observers here as a sign that Phnom Penh is finally committed to allowing the operation to begin.

But observers here cautioned that the ambiguous statement has reserved Phnom Penh enough options to halt the relief effort if it proves to the regime's military or political disadvantage.

Representatives of both the Red Cross and UNICEF were called into the Foreign Ministry in Phnom Penh on September 26 and informed first that plans for the future relief must be submitted in detail, the Kampuchean News Agency said.

They were also told that all supplies should be handed over to competent Kampuchean authorities who would distribute the goods and report back to the relief agencies.

Diplomats believe that the compromise could break down at any minute.

Heng Samrin's party—the Kampuchean United National Front for National Salvation—held its second party congress over the weekend and more than doubled its central committee in an effort to broaden its national appeal.

Most of the 21 new figures brought into the now 35-man strong Central Committee are unknown, as were the original 14 members when the Central Committee's composition was first announced last September.

The Congress also reaffirmed the party's intention to draft a constitution and hold national elections, although no time scale was announced.

Some party leaders appear to have been demoted. Ros Samay has lost his previous position as party secretary-general and reappears now as an ordinary central committee member.

INDIAN ELECTION LINE-UP

Much at stake for Mrs. Gandhi

By K. K. SHARMA IN NEW DELHI

MRS. INDIRA GANDHI, India's former Prime Minister, appears to have taken a clear lead against rivals now campaigning ahead of General Elections due to be held early in January.

A recent opinion poll indicates that at this stage urban and rural voters prefer her as Prime Minister to any of the Janata contenders.

Sensing that this will probably be her last chance politically to rehabilitate herself, Mrs. Gandhi launched a countrywide campaign well ahead of her opponents. She has also started talks with the strong regional parties that have emerged.

The Janata opponents who defeated her in the 1977 elections near the end of her 22-month emergency rule have brought themselves and their party into disrepute through internal party wrangling.

For Mrs. Gandhi much is at stake. She is fighting not only to regain the Premiership, but to avoid imprisonment on various charges that the Janata Party has brought against her. These are based on various Commission of Inquiry which investigated charges against Mrs. Gandhi of "excesses" and abuse of power during her emergency rule.

Mrs. Gandhi is still ahead because she has demonstrated unusual tenacity, using her renowned tactical skills to force opponents to fight on her terms.

It now seems that the elections will be fought on the issue of stability, which Mrs. Gandhi offers as an alternative to the factional quarrels which have emerged between warring Janata groups during the past 27 months.

She is also offering protection to minorities, such as the

Muslims and Harijans (untouchables). Such promises have strong appeal to those who have been worried by outbreaks of bloody communal conflict in recent months.

The main campaigning plank of her opponents in the Janata and the rival Janata (Secular) party, now renamed Lok Dal

her son. Another has found that she allowed Sanjay almost unlimited powers to launch a mass sterilisation programme in a family planning drive that turned the electorate against her in 1977. Many of India's 380m voters still have vivid memories of this.

Sanjay has been convicted on

ponent, the Hindu nationalist Jana Sangh, which is dogged by accusations that it has fomented communal conflict.

The Janata also has no base in the south. Efforts to find allies among the regional parties have been unsuccessful.

The Janata is also being widely blamed for India's current economic problems caused by the nationwide drought and accelerating inflation. Since March wholesale prices have risen by 19 per cent. Mrs. Gandhi never tires of claiming that Janata inherited from her record food stocks, record foreign exchange reserves, and price stability—and failed to do anything with this legacy.

Also helpful to Mrs. Gandhi is that the vote against her is divided because the Janata has disintegrated. Her other major rival the Coalition headed by Mr. Charan Singh, the caretaker Prime Minister, who heads the breakaway Lok Dal. His election allies are congressmen opposed to Mrs. Gandhi, Left-wing parties, including Marxists, and some powerful regional groups such as the Sikh Akali Dal of Punjab.

This could be a formidable Coalition. But Mrs. Gandhi is sure to exploit the fact that it consists of Defectors, a political tribe in India that is held in contempt since their main function is to topple governments with the object of gaining personal power.

Mr. Charan Singh has a strong base among the farmers in the key northern Hindi-speaking belt and he hopes that his Congress allies will win in the south.

But since he and the Janata will split the vote, Mrs. Gandhi can be expected to be the main beneficiary.



Mrs. Indira Gandhi: early start to election campaign.

Nigeria delays start of new Civil Assembly

By Mark Webster in Lagos

THE FIRST sitting of Nigeria's Civilian House of Assembly was cancelled at the last minute yesterday by Alhaji Shehu Sbagari, the President.

Members of the Senate and the House of Representatives were to have been sworn in, but the ceremony has been postponed indefinitely. No reason was given for the move.

Alhaji Shehu was only installed himself on Monday as the country's first Executive President under a U.S.-style constitution and the first civilian leader after 13 years of military rule.

Alhaji Shehu had also been expected to give some indication of who would form his Cabinet but only one post has so far been announced. Alhaji Shehu Musa will be Secretary to the General Federal Government. He is the former Permanent Secretary in the Ministry of Finance.

The composition of the Cabinet will be crucial to the success of his government.

In another move, the new President announced that every Government Minister would have to declare his assets on entering office and when he leaves it.

South African black union applies for registration

By Bernard Simon in Johannesburg

ONE BLACK trade union has applied for official recognition since the South African Government's new labour legislation came into force yesterday. It is unlikely, however, that many others will immediately follow suit.

The union which has asked for registration is the recently-formed Motor Industry Workers Union, an offshoot of an existing union organised by coloured workers in the motor industry. The application by this "parallel" union is believed to be, as much as anything else, an attempt to outmanoeuvre two independent black unions in the industry which have recently accused it of unfairly recruiting members.

Since the passing of the new legislation earlier this year, the possibility has been mentioned that application for registration by some unions may be opposed by others.

The Federation of South African Trade Unions (FOSATU), which represents 14 independent unions, has not decided yet whether or not to recommend registration.

Burma to export crude

By Our Rangoon Correspondent

BURMA has become an oil exporting country, in a small way, exporting about 1m barrels of crude a year.

Reports in Burmese newspapers said that the state-owned petrochemical and natural gas corporation has contracted to supply Mitsubishi of Japan with 1m barrels of crude a year. It has already shipped 200,000 barrels. No details have been given about quality and price.

Burma exported up to 6m barrels annually before World War II but became a net oil importer at the end of the war.

Burma's oil industry which was operated largely by the British-owned Burmah Oil Company was destroyed during the war. The Burmese Government nationalised the industry in 1963 and by last year crude output had reached nearly 10m barrels a year, exceeding Burma's estimated domestic need of 9.5m barrels annually. The production target this year is 13m barrels.

Sri Lanka to seek concessionary oil terms

By Our Colombo Correspondent

A GOVERNMENT-sponsored Sri Lankan delegation will leave Colombo later this month on a special charter flight to several OPEC capitals.

It will present to about 12 OPEC Governments a petition signed by thousands of Sri Lankans appealing for concessionary terms on oil supplies to developing countries next year.

The petition will outline Sri Lanka's difficulties in detail. The island's import bill for the first half of this year was just over Rupees 10bn (about £293.6m). The trade deficit was a record Rupees 4bn.

In its current report, the World Bank says inflation is running at 14 per cent in Sri Lanka and will reach 20 per cent next year, largely because of oil prices. This is regarded by businessmen here as optimistic.

The Sri Lankan Government yesterday announced price increases in flour, bread and kerosene—the poor man's fuel.

Sri Lanka needs 2,100,000 metric tons of crude oil next year. It has already contracted for 300,000 tons with Oman, and has started negotiations for the same quantity from Indonesia.

The Government is hoping that a deal on concessionary terms may be signed when President Suharto pays an official visit to Sri Lanka early next month.

James Buxton adds: Oil sales by OPEC States to developing countries on concessionary terms, always rare, virtually ceased this year during the oil price spiral caused by the cut-back in Iranian output. Iran, which formerly provided India and Pakistan with oil on comparatively generous terms, has ended all such deals.

INDEPENDENT TELEVISION

Because of the present industrial dispute we are sorry that there will be no programmes on this channel today. We will give you more information when we can.

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AMERICAN NEWS

David Buchan reports from Washington on attempts to defuse the threat to SALT-II

Carter seeks to escape the Cuba diplomatic trap

A SOVIET troop brigade in Cuba is "no reason for a return to the cold war." President Carter told the American people on Monday.

man of the Foreign Relations Committee, who commented that the Soviets have not budged still insist, before it acted on SALT, on an affirmation that Soviet combat troops were no longer in Cuba.

airial surveillance of Cuba, establish a permanent Caribbean task force headquarters at nearby Key West in Florida.

The White House let it be known on Monday that Mr. Brown would visit China this winter for military talks.

had to be subsidised by Moscow to the tune of \$8m a day (153.64m).



President Carter, during his TV address

Administration to declare that the status quo of the troops in Cuba was "unacceptable."

Week magazine, a journal with strong ties to the intelligence community, and known widely as "Aviation Leak" was about to blow the story.

Advertisement for Lloyds Bank featuring the headline 'We'll do more than just introduce you to London to the world.' and a background image of a horse.

Nationalistic fervour greets returning Mexican President

BY WILLIAM CHISLETT IN MEXICO CITY PRESIDENT Jose Lopez Portillo held a huge nationalistic rally on Monday night—the largest of his kind for probably 10 years—in order to re-energise his meeting with President Carter and his presence at the handing over of the Panama Canal.

NY City avoids state loan

NEW YORK — New York City ended the last fiscal year with a net debt of \$11.3bn, \$183m more than a year ago.

OPEC suit may be reopened

LOS ANGELES — Allegations that increases in U.S. fuel costs are linked to price fixing by the Organisation of Petroleum Exporting Countries (OPEC) may be reviewed.

Pope appeals for end to oppression

UNITED NATIONS—Pope John Paul called yesterday for the abolition of torture and oppression "either physical or moral, carried out under any system, in any land."



“Mummy, what’s happened to Daddy?”

A lot of things can happen to Daddy in his workplace. He is vulnerable from head to toe. And he’s not only at risk from injury but infection too. Cleanliness is as important as safety in the factory. Both these things are your responsibility.

One company provides for the whole body of your workers—Sketchley Rental & Safetywear. And you can leave the whole job to us: Sketchley’s reliability and efficiency means minimum management involvement. We cover everything because

Sketchley Rental & Safetywear has the answer to all questions of safety and cleanliness, head to toe.

Heads. Are your safety helmets adequate? Are eyes protected sufficiently against injury? Are you providing the correct face masks? Sketchley help guarantee the safety of your workers’ heads.

Body. Is your workforce provided with clean working garments? Are they changed, cleaned and repaired regularly? The Sketchley Workwear service is famous for its reliability, range and economy.

Hands. Dirty hands please nobody. And an essential part of any washroom is the provision of clean cabinet towels. Sketchley provide a regular towel service with full back-up.

Are the hands of your workers well protected from injury? Sketchley provide a range of hard-wearing gloves to the highest safety standards.

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Feet also bring destructive dirt into your working premises. Sketchley’s dust-mat service makes a place cleaner and healthier to work in. And saves you money.

Other parts. If you’d like to know more about Sketchley’s safety products and rental services, write to Sketchley Rental & Safetywear, PO Box 7, Hinckley, Leicestershire or telephone 0455 38133. We can also arrange a free survey of your premises to ensure that your valuable daddies are being well looked after.

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IMF / World Bank : BELGRADE

Reform McNamara attacks 'strings' on U.S. aid not deform should be the aim

BY JUREK MARTIN AND PETER RIDDELL IN BELGRADE

BELGRADE—Mr. John Crosbie, Canadian Finance Minister, told the IMF's Interim Committee that Ministers had to be assured that reform of the International Monetary System did not become a "reform" of financial arrangements to accommodate all the demands of developing country members, delegation sources said.

Mr. Crosbie said the provision of temporary balance-of-payments financing would continue to play an important role in the IMF's operations. Additions to the Fund's resources provided by the supplementary financing facility and the new quota increases, in combination with the current round of Special Drawing Rights (SDR) allocations, should place the Fund in a good position to help members to support their adjustment efforts.

According to the sources, Mr. Crosbie said the Fund's liquidity was more than adequate to meet any demands likely to be placed on it.

MR. ROBERT McNAMARA, President of the World Bank, yesterday accused the U.S. Congress of threatening to destroy "the largest single source of economic assistance to the one and a-quarter billion people living in the poorest developing nations."

In a special section of his speech to the annual meeting of the IMF and World Bank, added at the last minute, Mr. McNamara repeated that the World Bank's charter did not permit it to accept contributions with political strings attached. The Congress is seeking to effect this by prescribing aid to a number of nations charged with violating human rights.

The main victim would be the International Development Association, the Bank's soft loan arm. Mr. McNamara said he was confident that President Carter did not want to turn the American back on the plight of the neediest, but congressional action meant "that it is on the way to being done."

The congressional onslaught on World Bank contributions, led by Republican Congressman Bill Young from Florida, concerns the fifth replenishment of IDA. This weekend, IDA's contributors are due to meet in Dubrovnik to consider the sixth replenishment. But it is widely agreed that serious planning cannot go ahead with the status of the main donor, the U.S., in doubt.

Mr. McNamara said in his speech that if the U.S. contribution were unacceptable, "the Bank would be forced to stop IDA operations immediately." There is, however, some question about this: on previous occasions when IDA's finances have been temporarily out of order, it has continued to process loans on the assumption that contributions would eventually be forthcoming.

However, in seeking to exert maximum pressure on a Congress whose current interest in development aid is minimal, Mr. McNamara clearly does not want publicly to allow for such an eventuality—even though it could occur.

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Israeli fruit and vegetable sales to rise

By Our Own Correspondent
TEL AVIV — Agrexco, the Israeli company handling exports of unprocessed fruit and vegetables, expects its sales abroad to rise by 10 per cent in quantity and 30 per cent in value during the 1979-80 export season which has just begun.

Part of the forecasted increase in value—to \$210m—reflects the devaluation of the dollar in relation to the currencies of European countries which are Agrexco's principal markets. Nearly half of the total earnings is expected to come from the sale of cut flowers. But proceeds from shipments of avocado pears are also expected to rise significantly due to bad weather damaging the Martinique crop.

Initial avocado shipments fetched a record \$1,900 per tonne and those of early export \$1,000 per tonne. He called on the richer nations to attack poverty directly, rather than relying on attempts to raise the economic expansion rate of the developing nations. And he attacked protectionist tendencies in industrial countries which barred the goods of the developing world.

Fund director cautious on solutions to 'gloomy world economy'

BY OUR FOREIGN STAFF

A DISTINCTLY cautious view of the chances of producing an early solution to the problems posed by the present "gloomy world economic situation" was outlined yesterday by M. Jacques de Larosiere, managing director of the International Monetary Fund, at the formal opening of the Fund's annual meeting.

Mr. de Larosiere said the current position contained fewer uncertainties than after the 1973 oil price rises. "The difficulties are better seen for what they are and the broad

course of events seems less unpredictable. However, if the policies that should be adopted are more obvious than five years ago, the obstacles in their path are more deeply entrenched. Some essential adjustments have been delayed and this makes the measures which must now be taken more severe."

Mr. de Larosiere's speech reflected the mood of restrained and slightly resigned pessimism that has characterised the discussions between Finance Ministers here during the past few days. The only optimistic

note is the emergence of a better balance in the distribution of rates of growth and of current account surpluses and deficits among industrialised countries.

Mr. de Larosiere said these developments had "improved fundamental factors in the outlook for the behaviour of the exchange markets."

While there had been agreement among most countries about the seriousness of current problems there had been no list of recommendations for action by particular countries, in contrast to the very specific proposals produced by international meetings between the end of 1976 and early this year.

Mr. de Larosiere said the world economy might be entering a "very difficult phase for at least the next few years," but he firmly believed that a series of complementary policies, mainly aimed at reducing inflation, could serve to turn the situation around and get things moving in the right direction.

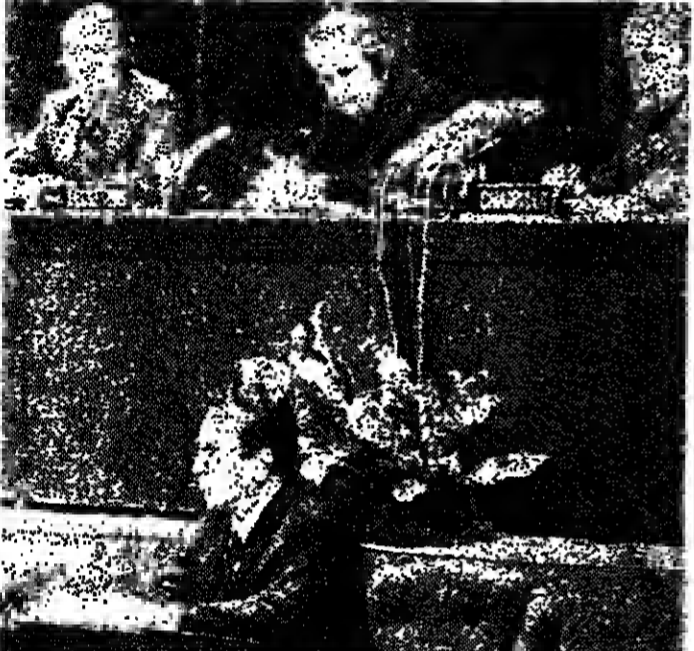
He noted that the strategy of gradualism, widely accepted by industrial countries, had not worked because of the failure to achieve any abatement of inflationary expectations. "The fundamental aim must be to achieve credibility of fiscal and monetary policies so as to roll back inflationary expectations and to restore confidence," he said.

On the question of the appropriate response to this year's increase in oil prices, he said: "All countries whose inflation rates are relatively high, or whose external positions are weak, would be well advised to accept this deflationary impact rather than to offset it."

Mr. de Larosiere highlighted the increasingly serious problems of the non-oil developing countries, notably the large rise in their combined current account deficits (from \$32bn to \$45bn—£14.57bn to £20.49bn—this year and to well about \$50bn in 1980).

These countries this year is likely to be 30 per cent. He said that international private capital markets would naturally play the main role in recycling funds from surplus to deficit countries as they did so successfully after the 1974 oil price rise.

But he pointed out that it was not a function of private banks operating in these markets to look after the working of the international adjustment mechanism. In this area the Fund's role was to provide conditional liquidity to members.



President Tito addressing the meeting.

Tito puts the case for Third World

BY ALEKSANDAR LEBL IN BELGRADE

PRESIDENT TITO, looking fresh and vigorous for his 87 years, yesterday addressed the annual meeting of the World Bank and the IMF in Belgrade, urging the developed countries to change the existing system of international economic relations and establish the new international economic order.

He referred repeatedly to the Havana non-aligned summit in a way that could be interpreted as his not speaking only on behalf of Yugoslavia but of other non-aligned and developing countries too. He was warmly greeted by the audience.

Non-aligned and other developing countries, President Tito said, had always demonstrated their readiness for, and vital interest in, overcoming existing difficulties through co-operation based on equality rather than through confrontation with the developed countries. Unfortunately this had not met with the understanding of many of those countries, which had forsaken some of the decisions they had adopted in the UN.

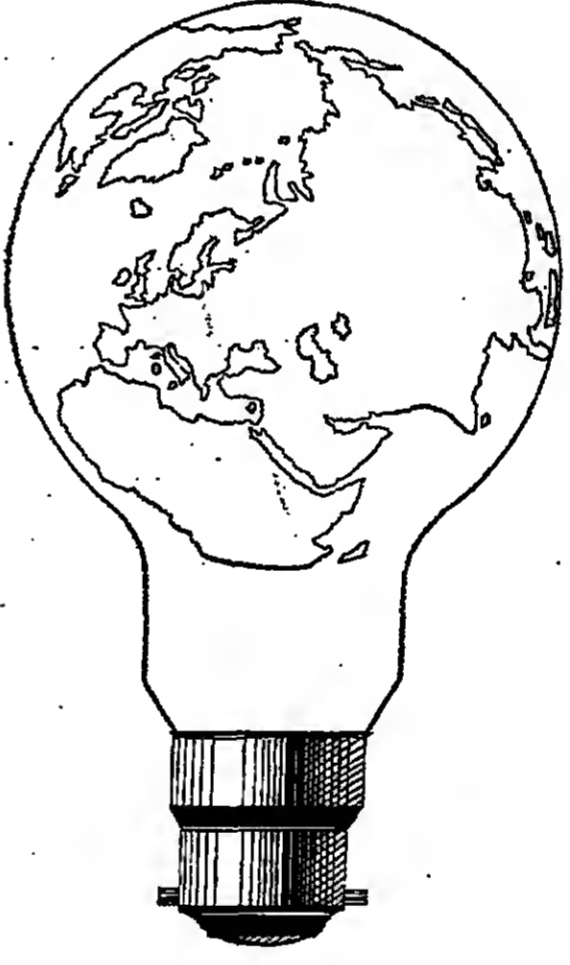
President Tito's remarks reflected the prevailing view among the non-aligned, rather than the "radical" line advocated by the minority within that movement which is opposed to the market economy and favours strengthening ties with the Comecon countries.

Nevertheless, President Tito was critical of the existing system, saying that it was relentlessly detrimental to the de-

veloping countries and was wasting enormous human and natural potential. That imposed growing difficulties on the world economy in general, including the economies of developed countries. The belief, he said, that the difficulties confronting the developed countries could be alleviated or transcended by simply shifting them to developing countries was both shortsighted and dangerous.

President Tito regretted that the process of transforming the existing economic order was proceeding at a snail's pace. Particularly slow to change were relations in the financial and monetary field, which called for far greater efforts, political readiness and farsightedness in negotiations for the reform of the international monetary and financial system in order to make it more responsive to the needs of developing countries. He advocated more effective mechanisms for stimulating a greater transfer of resources to developing countries, and their taking a more active part in all phases of decision-making within the financial and monetary institutions, thus enabling them to become more democratic and universal.

Co-operation between the Yugoslav Government and the officials of these institutions, President Tito stressed, have continuously created and expanded opportunities for co-operation, and Yugoslavia relied on the further promotion of this co-operation.



Power planet?

Just because you don't have to queue for petrol any more, don't think the energy crisis is over. It's not. Planet Earth may be alive with energy, but that's no reason for complacency. It's going to take time to mobilise the earth's resources and we must face up to three priorities now: Use less oil—we can't afford to waste it. Find and produce more oil—we need every drop we can get. Develop and use alternatives—the only real solution.

In the short term, oil is indispensable. Our technology and lifestyles depend on it. But the balance between supply and demand is now precarious. Even minor disruptions in a single oil-producing country can shake the world. In the longer term the energy outlook is rosier. Coal's vast potential has still to be realised; nuclear power has immense promise, and natural gas has more to offer. The most abundant energy sources have hardly been touched at all—think of solar, wind, tidal and wave power, biomass energy from plants, geothermal,

hydrogen and fusion. But these aren't ready to support us yet. Over the next few weeks, Mobil will be discussing these issues in more detail, because the time to act on them is now. Without urgent action, we'll face a worse crisis in the future: starving in the midst of plenty.

First in series on energy issues.



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LOCAL AUTHORITY BONDS

Every Saturday the Financial Times publishes a table giving details of Local Authority Bonds on offer to the public.

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Windscale leukaemia check by doctors

By Our Northern Correspondent
FURTHER STUDIES by doctors to determine whether a link exists between an apparent increase in leukaemia cases in the Fylde area...

Rise in house prices slowing: Nationwide

BY MICHAEL CASSELL
THE RAPID INCREASE in house prices recorded over the last 18 months is at last beginning to tail off...

Lloyd's broker named in Oceanus action

BY JOHN MOORE
ULSTER Marine Insurance Company is planning to name C. E. Heath (Marine), the Lloyd's of London insurance broker...

Revenue names private firm to assess tax plan

BY OAVIO FREU
THE INLAND REVENUE has appointed a private firm of management consultants to study the possibility of taxing short-term social security benefits...

Argyll oil production running at twice last year's average

BY RAY OAFER, ENERGY EDITOR
THE Argyll Field - Britain's first productive oil field in the North Sea - has been brought back on stream after a five-week shutdown for maintenance work...

Aid for refugees

Local authorities who provide education for Vietnamese refugees will be reimbursed by the Government...

Big award for injuries

RETIREE ACCOUNTANT Mr. Conrad Hinds-Howell, 73, was awarded £36,300 agreed damages in the High Court...

Red alert for drink-drivers

BY LISA WOOD
MOTORISTS who have drunk over the limit will see red instead of green, if stopped by police who are conducting an experiment with a new breath test device...

Post Office opens £18m link with Spain

By John Lloyd
AN £18m telecommunications link between Spain and the UK was opened yesterday...

'UK can help in oil relations'

BY OUR ENERGY EDITOR
BRITAIN can play a major role in creating a better understanding between the major oil exporters and consumers...

Government backing for diesel cars urged

BY MAURICE SAMUELSON
GREATER USE of diesel-powered cars and tax concessions for smaller cars are among measures which the Government is being urged to take...

Barclaycard interest rate up in February

By Michael Lafferty
BARCLAYCARD is changing its interest and service charges in a move to boost revenue...

SELE-PEL SEASONAL PRESELECTION OF LEATHERGOODS
Milan 20/23 October 1979
Pavillon 30 in the Milan Fair Grounds
The seasonal preview of Italian bags, handbags, bags for men, travel bags, small leather items for buyers from all over the world.

Scottish public property for sale

BY ANDREW TAYLOR
THE GOVERNMENT'S plan to sell off new town assets to the private sector is to spread to Scotland...

Prudential court case resumed

FINANCIAL TIMES REPORTER
THE Prudential Assurance High Court action against Newman Industries was resumed yesterday...

Saleroom Pre-Raphaelite classics sold quite cheaply

ON MONDAY NIGHT the sale of highly important Victorian paintings at Sotheby's Belgravia suggested that this market was in good, but not outstanding shape...

Council may refuse homes to immigrants

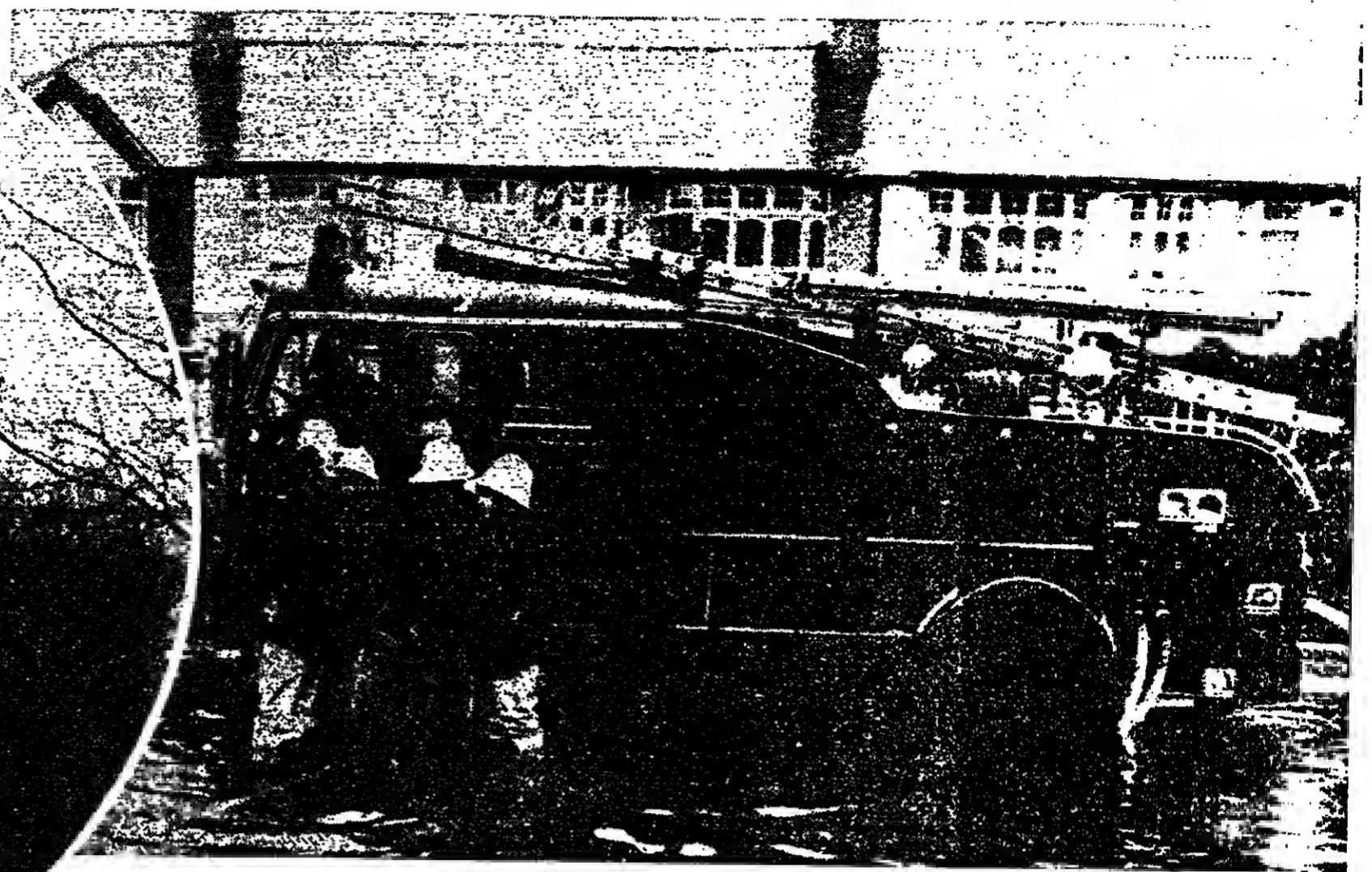
By Andrew Taylor
HILLINGDON Borough Council will consider a recommendation which is likely to lead to the council refusing to house homeless immigrants arriving at nearby Heathrow airport...

Appeal judges bail Landy

Mr. Harry Landy, 67, the company director jailed for five years and fined £350,000 for his part in a £40m fraud, was yesterday granted bail by three Appeal Court judges...

Milk floats recycled

SWAN HUNTER shipbuilders, Britain's shipbuilding group, has introduced a novel form of energy conservation...



While others were assessing the damage, we were paying for it.

On the morning of January 11th 1978, you might have been forgiven for mistaking the streets of Sheerness for Amsterdam or Venice.

After a night of near hurricane force winds and waves as high as houses, the East Kent coastline was, quite simply, blown to bits.

In the light of this thirty mile trail of devastation, it became clear to us at Commercial Union that there was only one way we could be of real help.

Not with tea and sympathy. Or vague promises of compensation.

But rather, by agreeing to claims immediately. On the spot.

Now, it's not every day you'll find us popping in on policy holders, with a view to popping a cheque in the post.

After all, like any other insurance company, every claim we deal with involves certain formalities.

There are details to be noted down. Policies to be checked

out. Assessments to be made. And so on.

A process that can take anything from five minutes to five months. Or even longer.

Speaking for ourselves, we prefer to simplify the paperwork, for the sake of a speedy settlement.

Which is precisely how we coped with the mopping up of East Kent.

On January 12th, with the storm damage barely a day old, we set up an emergency claims centre in Canterbury.

Within two working days we had our own team of claims inspectors out and about on the waterways, personally totting up the cost of repairs.

In all, we paid out £115,000 from just one branch, to more than 400 policy holders.

So they could start rebuilding their lives, while others were still getting estimates.

We won't make a drama out of a crisis.



ASSURANCE



The City's idea of the building industry.

A bunch of cowboys.

One of the bright white hopes of the City was recently heard to declare that the old notion of the building industry as a bunch of cowboys was thoroughly outmoded these days. Mind you, he added, there's no smoke without fire.

Too true.

Barratt would be the first to admit that some building companies richly deserve their reputations.

Some don't.

Barratt would like to present some objective facts and figures so that you can judge their true worth and potential without prejudice.

Solid as an oak.

Barratt have just celebrated their 21st birthday.

And 1979 sees us at number 9 in Management Today's Ten Year Profitability League (October issue), in the whole of British Industry (turnover 1979-£170m).

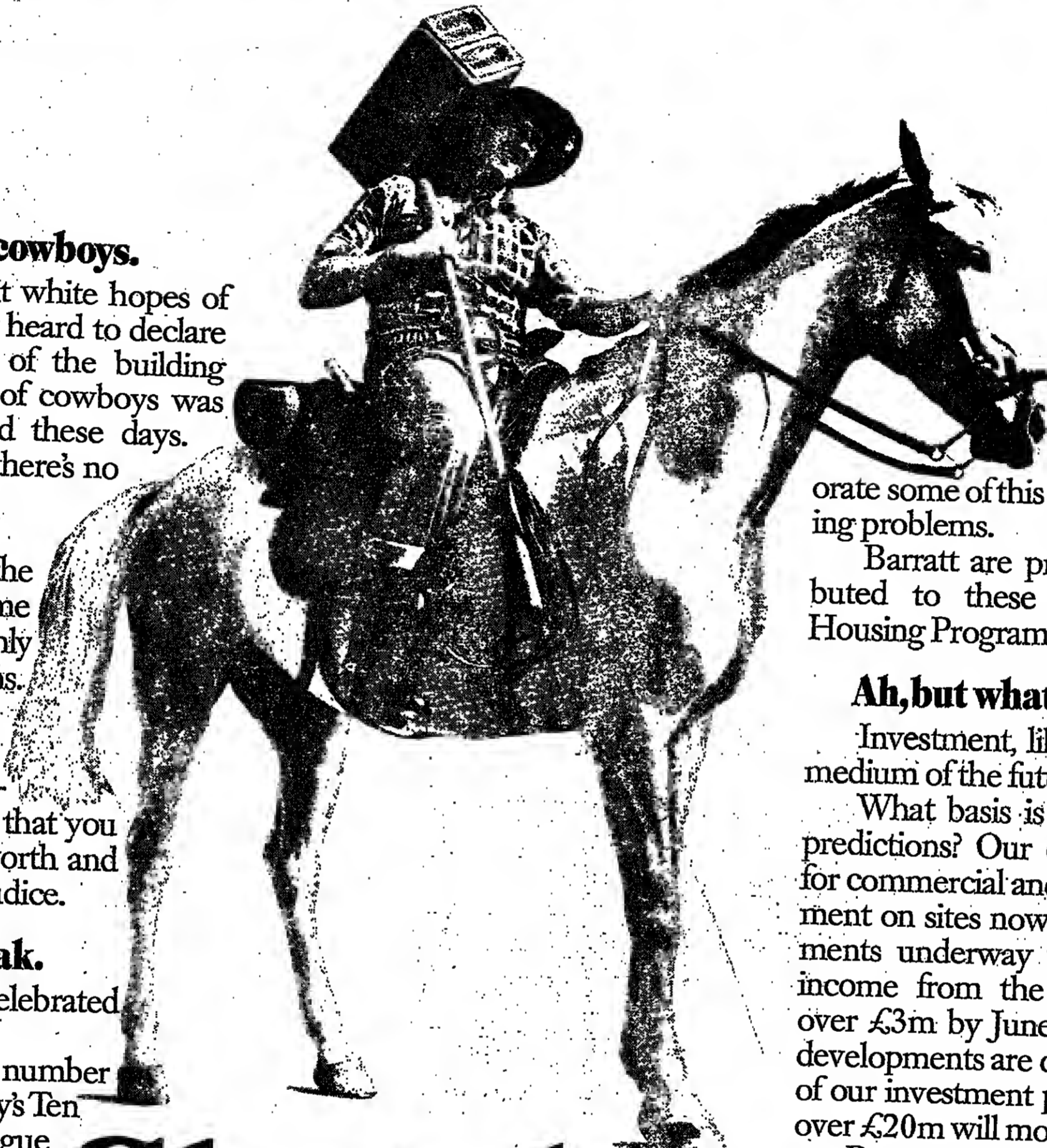
This isn't some here-today-gone-tomorrow phenomenon.

Barratt's growth has been sure and steady, even in 1973-4, when the market was depressed and other building companies that had rocketed in the 60s, crash-landed.

The graph spells out the story in terms of hard cash.

One reason for our success is that where other building companies have centralised their operation, Barratt have stuck to their policy of local involvement, with thirty operating subsidiaries, twenty-two in private housing, five in manufacturing and general contracting and three in property development.

The fact is that if you're building



Barratt's work on inner city re-housing programmes in areas such as Liverpool and Glasgow has done much to ameliorate some of this country's worst housing problems.

Barratt are proud to have contributed to these socially vital Joint Housing Programmes.

Ah, but what of the future?

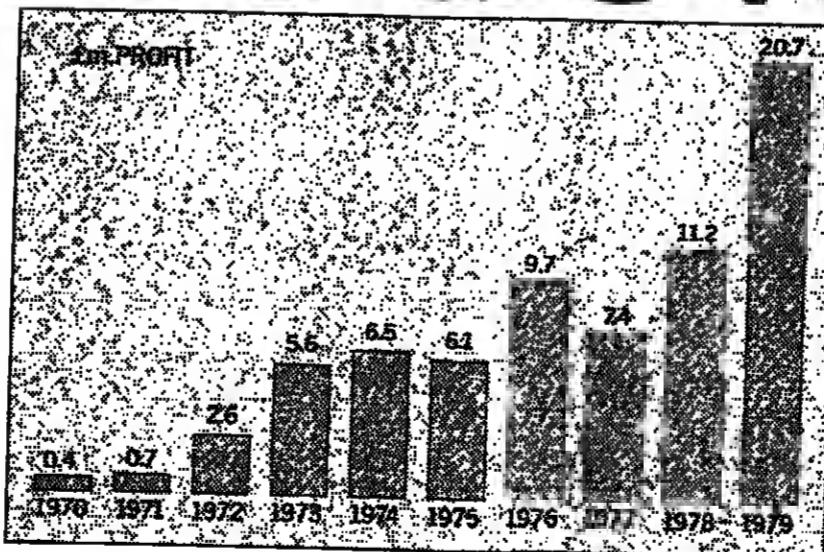
Investment, like clairvoyance, is a medium of the future.

What basis is there for confident predictions? Our current programme for commercial and industrial development on sites now owned or developments underway will increase rental income from the present £12m to over £3m by June 1981. When these developments are completed the value of our investment properties presently over £20m will more than double.

Barratt own 33,000 plots of high quality, developable land to keep us busy for the next 3 years. Home ownership will undoubtedly increase beyond its present level of 54% (in some European countries home-ownership now stands at 70%+).

Barratt are ideally placed to cater to demand, be it for £11,000 houses or £110,000 houses, in Southampton or the Shetland Islands on 350 developments in the UK.

Shot down.



in Chester, it's a good idea to be in Chester.

The confidence of local authorities.

We have an impressive history of working partnerships with Local Authorities.



Barratt
Developments Limited

The myth bites the dust.

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Forget for a moment the flannel and flattery that car hire companies seem to indulge in.

Ask yourself which car hire company gives you a better service than Godfrey Davis—we think you'll come back with the very simple answer. Nobody.

Nobody has more cars than us. So we're more likely to have a car when you want one.

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It's because of facts like this, that we find more and more people keep coming back to us. And if you think that's just a bit of flannel on our part, do you know who's got more customers than Godfrey Davis?

You've guessed it. Nobody.



MORE CARS. MORE OFFICES. MORE CUSTOMERS. LESS FLANNEL.

To book one of our Fords or other quality cars, ring 01-828 7700. Or consult Yellow Pages.

UK NEWS—LABOUR PARTY CONFERENCE

Defiant Callaghan stands by his achievements



Mr. James Callaghan

THE SUPREMACY of the Labour leadership and MPs in having the final say on party policy was reaffirmed by Mr. James Callaghan in a speech in which he strongly defended the record of the last Labour Government.

At the same time, he denied that Labour Governments ignored the policies drawn up and voted on by the rank and file of the socialist conference.

The party leader attacked the proposals for the NEC to have the final say in drawing up the manifesto and criticised the resolution asking for the re-election of MPs.

Significantly, however, he did not deal with the proposal that the Labour leader should be elected by the party as a whole rather than by Labour MPs.

Mr. Callaghan urged delegates to sink their differences and unite to fighting the Conservative Government.

Neither he nor anyone in the party was coming to the conference in an apologetic mood for the work of the Labour Government from 1974 to 1979.

Some aspects of economic policy. He reminded the conference that the Labour Government had come to power against rising inflation and a poor balance of payments.

"I make no apology for the performance of my government"

Left defeated over choice of party leader

Left and Right exchange blows

AFTER TWO rounds of the Labour Party's bare knuckled contest at Brighton yesterday, Mr. James Callaghan and his opponents shared the points.

Proposals to change radically the method of electing the Labour Party leader were defeated after a rowdy and bitter conference debate which showed the deep and passionate divisions among delegates on the topic.

A motion from Hampstead Labour Party to carry out the election by broad electoral college representing all sections of the movement was defeated on a show of hands.

The proposal, which would have been implemented immediately, envisaged that the unions and other affiliated organisations would have 50 per cent of the votes on the leadership, Constituency parties, MPs and Parliamentary candidates would have had the other 50 per cent.

Mr. Callaghan said that the party should stick to the traditional method of electing the leader by the party members.

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Mr. Tony Benn gives Mr. Callaghan a standing ovation.



Executive structure unchanged Mandatory re-selection victory for grassroots

Democracy at risk—Powell

TO THE relief of party moderates the composition of Labour's National Executive Committee—its ruling body—remained virtually unchanged in the annual elections declared yesterday.

The most significant aspect of the results was the further strides made by the Left-wing, in particular the jump in popularity of Mr. Neil Kinnock, a Tribune member.

Mr. Kinnock—whose elevation to the shadow cabinet after the general election confirmed him as the leading Left-winger of the younger generation of Labour MPs—came a close second to Mr. Anthony Wedgwood Benn in the constituency section.

The alternative, he warned, was fascism or anarchy. For unless the unions could rely on Labour to speak for them in Westminster, they would continue to use their industrial muscle to decide political questions outside both the Labour Party and Parliament.

Mr. Enoch Powell intervened in the Labour Party's power struggle last night on the grounds that its outcome affected not only the party itself but Parliamentary democracy as a whole.

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RESULTS Trade Union section: Sam McCluskie (NUJ) 5,958m; Alex Ritsen (TGWU) 5,731m; Jerry Russell (AUEW) 5,419m; Neville Hough (CMUW) 5,394m; Russell Tuck (NUR) 5,314m; Alex Hadden (Bollarmakers) 5,3m; Sid Tierney (USDAW) 4,57m; Tom Bradley (TSSA) 4,57m; Emily Williams (NUM) 4,457m; John Golding (POEU) 4,004m; Fred Mulley (APEX) 3,824m; Doug Hoyle (ASTMS) 3,733m.

Gormley calls for a national fuel policy

UNITED KINGDOM coal production must be increased to 200m tonnes a year, Joe Gormley, miners' leader, told conference today.

The Army Benevolent Fund

The Army Benevolent Fund for soldiers, ex-soldiers and their families in distress Dept. FT, Duke of York's HQ, London SW3 4SP

Jackson attacks Thatcher 'lies'

ALTHOUGH SOME may face defeat, unions have no alternative but to seek pay increases which match the level of inflation, Mr. Tom Jackson, Post Office union leader, told conference.

Mr. Jackson attacked the Government's policy of reducing unemployment by cutting wages and other social services.

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Mr. Tom Jackson

Conference reports by Richard Evans, John Hunt, Ivor Owen and Philip Rawstone. Pictures by Roger Taylor.

The war that never ends

We British are a peaceful people. When a war is over we like to consign it to the history books—and forget it.

UK COMPANY NEWS

Harris Queensway up 77% and trading well

A MORE than 77 per cent leap in taxable profit was achieved by Harris Queensway Group in the first half of 1979.

HIGHLIGHTS

Lex takes a look at the immense bid unveiled in the U.S. by Shell Oil for Beldridge and considers the Shell Group's latest guidance on how the deal will be financed in the UK.

Bunzl Pulp rises £1.5m to £8.2m in first half

PRE-TAX profits of Bunzl Pulp and Paper improved by £1.45m to £8.18m for the first half of 1979 on turnover ahead from £104.1m to £110.7m.

after net interest and dividends of £646,000 (£548,000), and was subject to SSAP 15 adjusted tax of £2.95m (£2.36m).

And although the directors say it is likely the second half will produce lower earnings than the first, they expect the whole of 1979 to show better results than the previous year.

Some £4.8m will be released at the year-end, being the amount of deferred tax no longer required.

DIVIDENDS ANNOUNCED

Table with columns: Company, Current payment, Date, Correlation, Total for year, Total last year.

Cape Industries ahead halfway

TAXABLE surplus of Cape Industries, building, automotive and engineering, group came out ahead for the first half of 1979 on turnover up 25.5m to £102m.

Table with columns: Company, Turnover, Profit before tax, etc.

They reasonably expect that this will be achieved in the current year, though much will depend on the effects of industrial disputes throughout the country.

With a jump to £3.94m (£1.93m) at the trading level and £144,000 (£370,000) surplus on property deals, group profit was up from £2.3m to £4.08m for the six months.

business should be contributing to profits in early 1980.

Both the Harris Carpets and Queensway divisions had a good first half. It is anticipated that the number of stores operated by Harris Homecare, the newly established d-i-y division, will be increased from the current eight to 20 by the end of 1979.

comment Harris Queensway's market price has been pulling ahead fast and the latest figures fully justify the performance.

figures is that there was an interest receivable rather than a charge, to add that extra gloss. So far so good. But what happens in the second half now that Hardy is on board?

The prospect for the second half is based on current trading within the group and the uncertain outlook of world economies. Stated first half earnings per 25p share are higher at 15.1p (14.7p) before extraordinary items, and the net interim dividend is increased to 2.85p (3.191p), last year's final payment being 2.285p.

Mr. G. G. Bunzl, chairman, says the improvement in the pre-tax figure was due to a return to profits at Bunzl and Black AG, and better results from most other group companies.

Wilson Walton in losses after £1.79m exceptional charge

AFTER CHARGING an exceptional debit of £1.79m, Wilson Walton Engineering incurred a pre-tax loss of £1.66m for 1978, compared with a £0.86m profit previously.

provision in the 1978 accounts in respect of the claims. The directors state that fabrication and book-up orders have been difficult to obtain during 1979 and it is unlikely that much in the way of new business will arise from the North Sea operations during the rest of this year.

Yearlings slip to 13 1/2

The coupon rate on this week's batch of local authority yearling bonds is 13 1/2 per cent, down from 13 1/4 per cent last week.

Weeks Associates tumbles to £29,623 at interim stage

TAXABLE PROFITS of Weeks Associates, the trailers and industrial and agricultural equipment group, slumped in the first half. In the 28 weeks to August 12, 1979, the surplus fell from £285,111 to £29,623 on turnover up from £9.2m to £9.8m.

second-half performance and the encouraging signs for the year have not materialised. It is also premature to assess what effect reduced demand for agricultural equipment will have on Tongs whose peak selling season is during the winter.

Estates & General

Profits of Estates and General Investments, property investment and development group, increased to £469,000 for the six months to June 30, 1979, against £107,000 last time, following the acquisition on July 1, 1978, of County and Suburban Holdings.

After a tax credit of £694,276, against a £485,464 charge, there was a turnover from a £418,118 net surplus to a £968,820 deficit. Stated loss per 10p was 19.4p (8.4p earnings).

Both these contracts were shown as completed in the 1977 accounts. After a tax credit of £694,276, against a £485,464 charge, there was a turnover from a £418,118 net surplus to a £968,820 deficit. Stated loss per 10p was 19.4p (8.4p earnings).

Weak demand for agricultural equipment and for commercial axes are reflected in the results. Hunttons, the most seriously affected, suffered substantial trading losses, and Trailers a small loss.

ME Mechanical Handling, and Tongs achieved their budgets and Rubber and Allied Products (RAP) is well in line with the profits forecast at the time of acquisition.

As forewarned, no dividend is to be paid for the year, compared with a 3.2785p net total previously.

The board says it is still too early to forecast profits for the whole year. Trailers is heavily dependent upon exports for its

F. & C. EUROTRUST F. and C. Eurotrust has repaid

ALLIED BREWERIES LIMITED £30,000,000 SYNDICATED TERM LOAN FACILITY Managed and Arranged by N. M. ROTHSCHILD & SONS LIMITED Provided by THE ROYAL BANK OF CANADA THE COMMERCIAL BANKING COMPANY OF SYDNEY, LIMITED CREDIT LYONNAIS LONDON BRANCH BANCO URQUIJO HISPANO AMERICANO LIMITED LLOYDS BANK INTERNATIONAL LIMITED SAMUEL MONTAGU & CO. LIMITED N. M. ROTHSCHILD & SONS LIMITED WESTDEUTSCHE LANDESBANK GIROZENTRALE Agent N. M. ROTHSCHILD & SONS LIMITED September, 1979

THE NEW THROGMORTON TRUST LTD. Capital Loan Stock Valuation—October 2nd, 1979 The Net Asset Value per £1 of Capital Loan Stock is 223.76p calculated on Formula 2. Securities valued at middle market prices.

To the Holders of General Cable International N.V. Guaranteed Floating Rate Loan Notes 1980 In accordance with the provisions of the above Notes, Irving Trust Company, as Fiscal Agent, has determined the Rate of Interest payable with respect to Coupon No. 19 on Monday, March 31, 1980 to be Thirteen and Three-quarters per cent (13 3/4%) per annum.

Johannesburg Consolidated Investment Company, Limited (Incorporated in the Republic of South Africa) Private placing of R40,000,000 "A" variable rate redeemable cumulative preference shares ("A" preference shares) Union Acceptances Limited is authorised to announce that at the general meeting of ordinary shareholders of Johannes held on 21 September 1979, the necessary resolutions were duly passed by the shareholders and that on the same day the two special resolutions were registered by the Registrar of Companies.

JEFFERSON SMURFIT Interim Results to 31st July, 1979 (unaudited) Half year 1979 Irish £000 % change Half year 1978 Irish £000 Year 1978 Irish £000 Sales (to Third Parties) 104,112 +12.1 92,833 190,986 Pre-tax Profit 8,634 +3.5 8,345 16,022 Earnings Attributable to Shareholders 5,215 4,983 9,492 Dividend per Share—net 2.812p 2.812p 8.75p Earnings per Share 10.3p 10.5p 21.8p The Interim Dividend now declared will be paid on 31st December, 1979 to Shareholders on the Register at 25th October, 1979. Operating results for the half-year are in general satisfactory with the exception of Nigeria. Profits are ahead of last year and would have been substantially so were it not for the swing of well over £1 million in Nigerian profits compared to a year ago.

UK COMPANY NEWS

Hunting Petroleum rises to £1.2m at halftime

ON TURNOVER ahead from £70.8m to £75m Hunting Petroleum Services, which was incorporated in 1978, raised pre-tax profits from £283,000 to £1.2m in the first half of 1979.

The directors say contributors to increased profit are oil broking and distribution and turbo drilling. The latter is in contrast to last year when the haul in North Sea activity affected profits.

Assuming no further significant movements in sterling pre-tax profit for the year should show a satisfactory increase over 1978.

The interim dividend per 25p share is 1.5p net, against 1.4p. The total payment last year was 4.65p from taxable profits of £2.08m which were down on the forecast made in the offer for sale document.

The shortfall was mainly due to the strength of sterling and an unexpected absence of the seasonal upturn in North Sea activity, the directors said.

Half yearly UK tax takes £222,000 (£72,000), overseas taxation £313,000, against £281,000, and minorities £105,000, compared with £108,000. Basic earnings per share are down from 6.6p to 5.9p and fully-diluted from 5.7p to 5.27p.

The group's activities include crude oil marketing, storage and distribution, drilling, heating oil distribution and oil and gas exploration.

comment

With a heavy reliance on Canadian earnings, interim profits from Hunting Petroleum are still clearly affected by a hefty currency adjustment but the group seems set to put the disappointments of 1978 behind it. The third quarter in Canada is the most important and the weather will obviously play a large part, but the tightening of oil supplies in all operating areas has been largely responsible for the upturn in broking activities in France and the UK distribution network. After a period of sluggish activity last year, the level of North Sea work has risen to the benefit of the turbo-

BOARD MEETINGS

The following companies have notified dates of board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available as to whether dividends are interim or final and the sub-divisions shown below are based mainly on last year's timetable.

TODAY

Imviro-British Syphon, Enjay Packaging, Howden-Sutton Plant, Holt Lloyd International, Third Mile Investment Trust.

FRIDAY

Sandman (Geo. G.), Sandman Holdings, Southern (Int'l) Wagon and South of England Royal Mail Steam Packet.

TUESDAY

Spirax-Sarco Engineering.

WEDNESDAY

Credley Printing, Forward Technology.

THURSDAY

Photo-Mile International.

drilling operation and half-year profits climbed by 22 per cent. Some freeing of the oil market since the summer suggests that the second half growth rate may be a little weaker but Hunting should be capable of doubling first half fully taxed and diluted first half earnings. The prospective p/s would then be 12.3 and a yield of 5.6 per cent may be in sight if the total is lifted to 5p net per share.

Black-Clawson recovers to £565,000

A turnaround from a pre-tax loss of £1,124,294 to a £565,496 profit is reported by Black-Clawson International, paper mill machinery maker, for 1978. Turnover went ahead from £5.42m to £7.57m.

NOTICE

To the Holders of
**AUTOPISTAS DE CATALUNA Y ARAGON
CONCESIONARIA ESPANOLA S.A.**

Kuwait Dinars 6,000,000
3/4 percent Guaranteed Notes due 1985

Holders of any of the above notes have the option to have such notes redeemed by the Company at 100 percent on April 15, 1980.

Any holder wishing to exercise this option must deposit at any time between 1st November and 30th November 1979 the notes to be redeemed with either of the following Agents:

Kuwait International Investment Co. s.a.k.
Al Mullah Building, P.O. Box 114, Kuwait

Kredietbank S.A. Luxembourg
37 Rue Notre Dame, Luxembourg

by

Kuwait International Investment Co. s.a.k.
as Fiscal Agent

We Are Pleased to Announce the Following Partnership Changes Effective October 1, 1979

PETER W. CERTO	STEVEN D. GRAND-JEAN
E. CRAIG COATS, JR.	JAY F. HIGGINS
JOHN M. DONOVAN	JAY L. LASSNER
RONALD M. FREEMAN	NORMAN J. LEVY
TULLY M. FRIEDMAN	JAMES L. MASSEY
PETER A. GORDON	JOHN J. O'BRIEN
JOHANN H. GOUWS	RONALD M. STUART
RICHARD L. GRAND-JEAN	WILLIAM J. TIERNEY, JR.
WILLIAM N. WIGHT	

Have Been Admitted as
General Partners

PHILIP M. LAW, JR.	DONALD M. MUTSCHLER
---------------------------	----------------------------

Have Been Appointed
Special Partners

ARTHUR K SALOMON

Formerly a General Partner
Has Become a Limited Partner

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Pochin's lifts payment

BUILDER and civil engineer Pochin's reports record pre-tax profits of £725,253 for the year to May 31, 1979, against £703,182 last time.

The final dividend is raised to 8.125p (4.274972p) making 9p for the year against a total last time of 8.149872p. Earnings per share were lifted from 44.37p to 88.88p.

After lower tax of £113,124 (£241,758), net profit came through at £612,128 compared with £461,423.

Profits fell in the first six months to £273,404, against £430,740 for the same period last year, although this latter figure included a special contribution arising from a completed development contract.

At that stage the directors reported that the company was suffering the effects of the past winter and, to a lesser extent, from industrial disputes in other industries, but forecast that final results would compare reasonably with previous years.

Mr. C. W. T. Pochin, chairman, says an apparent fall in turnover from £12.95m to £12.65m results from development contracts being held as work in progress until completed and sold.

He adds that contracting margins remain depressed and new work difficult to come by. Nevertheless the work load ahead can be considered satisfactory.

Pochin's development subsidiary is engaged on one major project which hopefully will be making some contribution to profits next year, and has begun work on a further block of flats at Llandudno which is expected to be completed in 12 months' time.

Ten acres of land have been acquired for industrial development in Pochin's base town of Middlewich on which work should begin early in the new year.

So far the current year is much in line with expectations, report the directors, and, while not anticipating any dramatic expansion, they hope the company will be able to hold its own in what will undoubtedly be continuing difficult times.

Midland News at £1.73m

ON TURNOVER up nearly £5m from £15.5m to £20.4m, taxable profits of Midland News Association fell slightly from £1.85m to £1.73m for the first six months of 1979.

The directors hope the same level of profits will be maintained during the second half.

Profit for the whole of 1978 was a record £3.7m.

Following the group's reorganisation, only £1.28m of profits relate to the publishing companies, directors state.

Downturn at Milford Docks

AFTER DOUBLED depreciation of £45,272 against £22,058, pre-tax profits of Milford Docks Company fell from £175,820 to £131,205 in the first half of 1979.

The surplus includes lower exceptional credits of £15,823 compared with £42,532 last time.

The directors say turnover was slightly down at £1.14m (£1.28m) because of a £150,000 drop in tanker repairs. Considerably increased capital purchases at end-1978 led to the higher depreciation, they add.

Tax for the half-year took £65,602 (£68,365). Retained profit came through at £68,911, against £87,255.

Interim dividends totalling 3.45p net have already been paid. In 1978 there was a single payment of 2.94p, when profits were £232,000.

Good start by English Association

Good trading in the first three months of the current year is reported by Mr. A. C. Parsons, the chairman of the English Association of American Bond and Shareholders and the board is confident that housewives will continue to increase in each of the group's activities.

Members are told in the annual statement that despite the board's concern regarding the effects of the continuing high rate of inflation on overhead expenses, it is hopeful that current year results will compare reasonably with the previous year.

Meeting: Salter's Hall, Fore Street, EC, October 28, noon.

KELLOCK

In last Saturday's Summary of the Week's Company News, the net interim dividend of Kellogg Holdings was incorrectly shown as 0.5p (same) per share. In the event, no interim payment has been made, as in the previous year.

The board forecasts that current year results will show a material improvement over 1978 and, should this occur, it intends to recommend a similar dividend to last year's single 0.5p.

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Companies
and Markets

UK COMPANY NEWS

Wiggins group

Construction ● Property ● Engineering

Results to 31st March	1979	1978
	£	£
Turnover	22.4m.	19.1m.
Pre-tax profit	0.53m.	0.41m.
Total dividend	1.9p	1.649p

- ★ All sections of the Group's activities have contributed to the highest turnover and profit in our fifteenth year as a public company.
- ★ Despite exceptionally bad winter weather, contracting has contributed at a satisfactory level.
- ★ Estate development is increasing at a steady pace and we have improved our stock of land.
- ★ Design and building activities are expanding especially in the industrial field.
- ★ The Group's motor interests are well established and growing.
- ★ Although our industry is experiencing the worst labour shortage in my memory we have a first class training scheme to help mitigate this.

C. C. Wiggins, Chairman.

Wiggins Construct Limited, 57 Hert Road, Thundersley, Benfleet, Essex SS7 3PD

H. Samuel advances to £3.2m in first half

PROFITS before tax of H. Samuel, multiple retail jeweller, rose from £2.33m to £3.22m in the half-year to August 4, 1979. For the whole of last year, the taxable surplus reached a record £13.53m.

The directors expect the full-year results to be satisfactory. Although since mid-June trading has been disturbed by the VAT increase, and no pattern has yet emerged, it is the second half including Christmas which makes the major contribution to group earnings.

As usual, the board intends to declare an interim dividend in February 1980.

Tax for the half-year took £1.15m, against £1.05m. Attributable profit came through higher at £2.17m, compared with £1.94m, after extraordinary credits of £704,000 (£62,000).

comment

Some unexpected news came out from H. Samuel yesterday and the market yawned, sending the share price down 4p to 188p, despite a small increase in pre-tax profits. The key point is that interim figures are not crucial for this company; it is the November-December period which is most important. The interim figures also include

several weeks under the new VAT regime, but it is probably too early to discern the impact of this feature of the June Budget on the company's performance. The group plans not to pass gold price increases directly to customers, but rather to "average out" higher costs in the manufacture of gold jewellery, thus diluting the surge in prices. The Board will not announce an interim dividend until February, 1980, but a repeat of last year's total could yield a prospective 5 per cent.

George Ingham passes interim dividend

Again the directors of George Ingham and Co. (Holdings), worsted spinner, are not paying an interim dividend, Mr. J. M. C. Mollitt, chairman, tells shareholders in his report for the first half of 1979.

They feel it prudent not to pay, in view of the present high interest rates—the last interim was 0.25p in 1976.

The chairman states that the company has a good order book

and it is now running longer hours on the new plant. It is hoped to increase the production of this machine which is the more profitable side of the business, and at the same time cut back on production of the other older machinery.

Certain benefits of this policy should be seen this year, but providing there is no serious fall-off in trade the full benefits will be felt in 1980, he says.

The bank overdraft was further reduced during the six months, Mr. Mollitt adds.

As reported on August 29 profit for the first half of 1979 came out at £26,290 (£21,304). There was no tax. Earnings were 1.28p (1.07p) per share. Pre-tax loss for 1978 was £8,498

COMFORT HOTELS

Because of a printing error the prospective fully taxed p/e of Comfort Hotels International at 27p was shown at 2.7 yesterday. It should have read 12.7. The net interim dividend has been raised by 20 per cent.

DANDO RESIGNS

Mr. Brian Dando, managing director of Derritron, the electronic equipment manufacturer, has resigned.

Anchor Chemical ahead at midway: sees further rise

AFTER MORE than doubling half-time profits Anchor Chemical is forecasting a significant increase on last year's depressed year-end surplus. On turnover ahead from £5.8m to £7.16m, pre-tax profits for the first half of 1979 were lifted from £163,000 to £350,000.

The interim dividend is being raised from 2.07p net to 2.38p. Last year's total payment was £600,000 from a taxable surplus of £424,000, against £806,000.

The board says the chemical and plastics group made significant increases in exports from the UK and sales by overseas subsidiaries. The directors add that trading at the improved level has continued into the third quarter.

But while looking for a significant year-end increase they warn that the uncertain economic conditions give concern for the level of business activity at home and abroad in the last few months of the year.

comment

Some better than expected news from Anchor Chemical sent the share price up 5p to 85p yesterday. The more than doubled pre-tax earnings continue the upturn which began in the latter part of 1978. Although the main

boost—surprisingly—has come from the group's overseas interests (which, together with exports, represent more than half of turnover), its programme of diversification also seems to be paying off. But despite the solid half-time showing, the company's chequered history should be kept in mind. Most observers are hoping for a return to the 1977 profit-level of £900,000, or more, but this can not be taken for granted. The net interim dividend has been increased by 15 per cent, and a 10 per cent hike over last year's total could yield 9 per cent, which is above the historic average of the chemicals sector. The prospective p/e could stand at 8 this year, if a full tax charge is applied.

Downiebrae up £60,000 at halftime

Profits before tax of Downiebrae Holdings increased from £233,000 to £293,000 for the first half of 1979, an turnover of £345m compared with £2.6m. The net interim dividend is stepped up from 0.75p to 0.9p per

Emray rises to £98,000

A £50,000 increase in pre-tax profits to £98,000 is reported by Emray, the industrial holdings group, for the first half of 1979. Turnover advanced from £1.23m to £1.73m.

The board says progress is being in building a sound industrial base and the group is constantly striving to improve performance and seek further opportunities. Total pre-tax profits last year were £152,000.

In May 1978, with effect from January the following year, the group sold its Zambian interests and subsequently acquired Reid and Lee, the motor distributor.

There was again no tax charge for the half-year.

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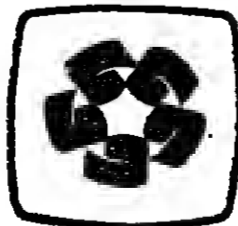
PALACE OF THE COUNTS OF SAN MATEO DE VALPARAISO, FINISHED IN 1772. HEADQUARTERS OF BANCO NACIONAL DE MEXICO, S.A.

With the recent opening of our branch office in London, Banamex now makes doing business with Mexico easier than ever before. We offer a full range of banking services to expedite all your business transactions.

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BUNZL PULP & PAPER LTD Interim Report 1979

Unaudited results for the half year ended 30th June 1979 and the adjusted comparative figures for 1978 are:

	Six months to 30th June		Year
	1979	1978	
Sales	110,725	104,144	206,250
Trading profit	7,232	5,252	10,112
Share of associates' profit	1,581	1,897	3,502
Net interest and dividends	645	548	821
Group profit before taxation	8,177	6,701	12,793
Taxation	2,947	2,359	4,503
Group profit after taxation	5,230	4,342	8,290
Minority interests	503	489	915
Earnings for shareholders	4,727	3,853	7,375
Extraordinary items			
Currency losses/gains	2,947	742	280
Other	84	297	330
Earnings after extraordinary items	1,864	4,298	7,325
Earnings per share before extraordinary items	18.1p	14.7p	28.2p
Dividends per share			
Interim			Final
Net to shareholders	3.83p	3.191p	2.285p
Gross equivalent	5.47p	4.763p	3.410p

Group profit before taxation for the first half of 1979 is appreciably better than the same period last year. Earnings per share are up 75% on the figures reported at this time last year. After adjusting the comparative tax figures, this increase is 23%. The improvement is due to a return to profits at Bunzl & Siach A.G. and better results from most other group companies. Had it not been for the strengthening of the pound sterling over the six months and its effect on the translation of overseas companies results pre-tax profits would have been £612,000 higher.

In accordance with the new standards for the treatment of deferred taxation, the charge for taxation no longer provides for this in full. Comparative figures have been corrected to the new basis. The year-end accounts will show a release of £4.6 million from the provision for deferred taxation, being the amount no longer required.

The currency loss of £2,947,000 included in extraordinary items arises from the strength of the pound sterling and is principally the amount by which the sterling value of the Group's net assets overseas has fallen during the first half of 1979.

The Directors have decided to pay an interim dividend for 1979 of 3.83p a share. This dividend will be paid on 28th November 1979 to shareholders registered at the close of business on 26th October 1979. The gross amount of this dividend including tax credit is 15% greater than the interim dividend for 1978 but represents an increase in the amount received by shareholders of approximately 20% due to a reduction in the basic rate of income tax.

Current trading conditions within the Group and the uncertain outlook of the world economies indicate that the second half-year is likely to produce lower earnings than the first. We expect, however, that the year as a whole will show better results than 1978.

NatWest Registrars Department

National Westminster Bank Limited has been appointed Registrar of

MFI FURNITURE GROUP LIMITED

All documents for registration and correspondence should in future be sent to:

National Westminster Bank Limited
Registrar's Department
PO Box No 82
37 Broad Street
Bristol BS99 7NH

Telephone Bristol (STD Code 0272)
Register enquiries 290711
Other matters 297144

Export Finance

—Without Recourse—
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Arbuthnot Export Services Limited

37 Queen Street,
London EC4R 1BY,
Tel: 01-236-5281
Telex: 886660



Specialists in financing exports of capital plant and machinery worldwide.

CONTRACTS AND TENDERS

CORRECTED NOTICE

The following correction is to the announcement which appeared on Monday September 24th 1979

CEYLON SHIPPING CORPORATION

TENDER NOTICE FOR THE SUPPLY OF SHIPS

Reference notice calling for tenders for the supply of ships: it has now been decided that the last date for obtaining tender documents should be extended up to 1600 hours on 18th October 1979.

THE CHAIRMAN CEYLON SHIPPING CORPORATION

6 Sir Baron Jayatilaka Mawatha Colombo 1, Sri Lanka

Telex Nos. 1165 and 1205 Cables: CEYLONSHIP CBO

Para B (Second Hand Vessels) (III and IV). The non-refundable deposit is Rs.500.00 or equivalent.

RESIDENTIAL PROPERTY

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In association with Finadvis S.A. of Geneva, we offer a selection of high quality property in several locations including Montreux, Champéry, Crans-Montana and Stion.

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In association with Lorraine Agence Immobilière. Studios from £15,000. Villas from £35,000. In Cannes—Grasse—Monte Carlo triangle.

COSTA DEL SOL

Close association with several local agents enables us to offer widest range: Flats £70,000 to £200,000. Villas from £25,000.

COMPANY NOTICES

TDK ELECTRONICS CO. LTD.

The undersigned announces that as from October 1, 1979, the registered office of TDK Electronics Co. Ltd. is to be situated at 172, Amsterdam Road, Singapore.

TOKYO MARINE ELECTRIC COMPANY LTD.

The undersigned announces that as from October 1, 1979, the registered office of Tokyo Marine Electric Company Ltd. is to be situated at 172, Amsterdam Road, Singapore.

INDUSTRIAL BANK OF FINLAND 9 1/2 1975/1983 GUARANTEE BONDS

Bonds for the amount of UA 1,500,000 have been drawn on September 20, 1979 in the presence of the Fiscal Agent.

THE SANKO STEAMSHIP CO. LTD.

The undersigned announces that as from October 1, 1979, the registered office of Sanko Steamship Co. Ltd. is to be situated at 172, Amsterdam Road, Singapore.

JAMIE WALKER GOLDSMITH & SILVERSMITH LTD.

NOTICE IS HEREBY GIVEN that the Transfer Books of the Ordinary and Non-Voting Ordinary Shares will be closed from 12th October to 28th October 1979.

LATE INVESTMENTS LIMITED

NOTICE IS HEREBY GIVEN that the register of members of Late Investments Limited will be closed from 5 p.m. on 18 October 1979 to 5 p.m. on 22 October 1979.

LEGAL NOTICES

Company No. 1062702 Registered in ENGLAND (IN THE MATTER OF THE COMPANIES ACT, 1948 TO 1978 AND IN THE MATTER OF THE COMPANIES ACT, 1967)

NOTICE IS HEREBY GIVEN pursuant to Section 283 of the Companies Act, 1948

that a MEETING of the CREDITORS of the above-named Company will be held at Gifford House, 70/71, Gresham Street, London, E.C2A 3DF, on 28th September 1979 at 11 a.m.

IN THE MATTER OF THE COMPANIES ACT 1948 AND IN THE MATTER OF TUBECRAFTS (KENT) LIMITED

(In Liquidation)

NOTICE IS HEREBY GIVEN pursuant to Section 286 of the Companies Act 1948 that a GENERAL MEETING of the MEMBERS of the above-named Company will be held at the office of FLOYD NASH & CO., Chartered Accountants of 50 Clifford Street, London, W.1, on Wednesday the 20th day of November 1979 at 2.30 a.m.

PUBLIC NOTICES

H.M. LAND REGISTRY Lost Certificate

It is proposed to issue a new Certificate to replace the one described below which has been lost or destroyed.

Ray Manghan looks at the Bridon subsidiary that changed from a star performer into a burden on its parent

Salutary lessons of Ashlow debacle

BRIDON makes steel wire and wire rope but shareholders were forcibly reminded last month that it also supplies rod rolling mills through a subsidiary called Ashlow Steel and Engineering. Ashlow made a \$9.5m loss in the first half of 1979, dragging the whole group into an interim deficit of £1.52m against a surplus of £7.59m.

As the outsider, close to the steel industry, was saying recently, "Bridon was looking for trouble with Ashlow and they've certainly bought it."

Mr. Jack Laird, Bridon chairman since May, admits that "it was completely free" even on such things as wages and fringe benefits.

The beginnings of a reporting system and detailed costing procedure are now in place following a senior boardroom shake-up a week after the interim shock.

Mr. Laird is aware that costing improvements are made difficult by the highly specialised nature of Ashlow's products which are ordered on a non-repeating basis.

Yet, while the performance of the rest of the group is described as "reasonable," the sheer velocity of Ashlow's fall from grace may have deepened the fact that Bridon as a whole has been underperforming.

Pruning may be necessary, the group has already undertaken substantial rationalisation recently. Darlington Wire Mills was closed last year as was the Sunderland plant of the fibre and plastics division.

Nationalisation, or consolidation cannot solve the problem of depressed demand. Prices have been forced down on both sides of the Atlantic.

Cordege and hailer (wire profits) have been hurt by competitive import prices from East Africa, Portugal and Brazil and the transfer of polypropylene agricultural twine production from Sunderland was held up by the flood which put the Teams factory out of commission for three weeks earlier this year.

While competition remains heavy, Mr. Laird is convinced that "Bridon's weapon is high technology." Throughout the decline in demand, the group has hung at all costs onto its market share which is "keyed into service, quality and delivery."

He firmly believes that Bridon's wide spread and market share, particularly in the mainstream market of high carbon steel, has yet to be fully exploited.

The mood at Bridon, although chastened, remains cautiously optimistic. Mr. Laird is certain that lessons of communication and management control at Ashlow "are one of the good things that has happened."

While the two North American wire plants had been in competition, problems at Darlington centred at the North Sea oil boom which, as Mr. Laird concedes, "had been over-estimated by both our selves and the market."

There is more to this flat performance than industrial unrest. "Bridon was a little ahead of its time in spreading its risk around the world and bringing in local partners," Mr. Laird believes, "but that led to 60 operating companies and a degree of complexity and autonomy from the point of view of control and co-ordination."

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RESTAURANTS

Chateaubriand Restaurant advertisement with logo and text: 'C'est magnifique! C'est le nouveau Chateaubriand. Let us tempt you to Luncheon from our triple tiered menu, starting at £6.50 for three interesting courses and coffee, tout compris (vins de table at £3.45).'

COURSES

If you have not evaluated the costs of quality failure in your company, note that the bi-annual quality costs course is next week - a few vacancies available.

ART GALLERIES

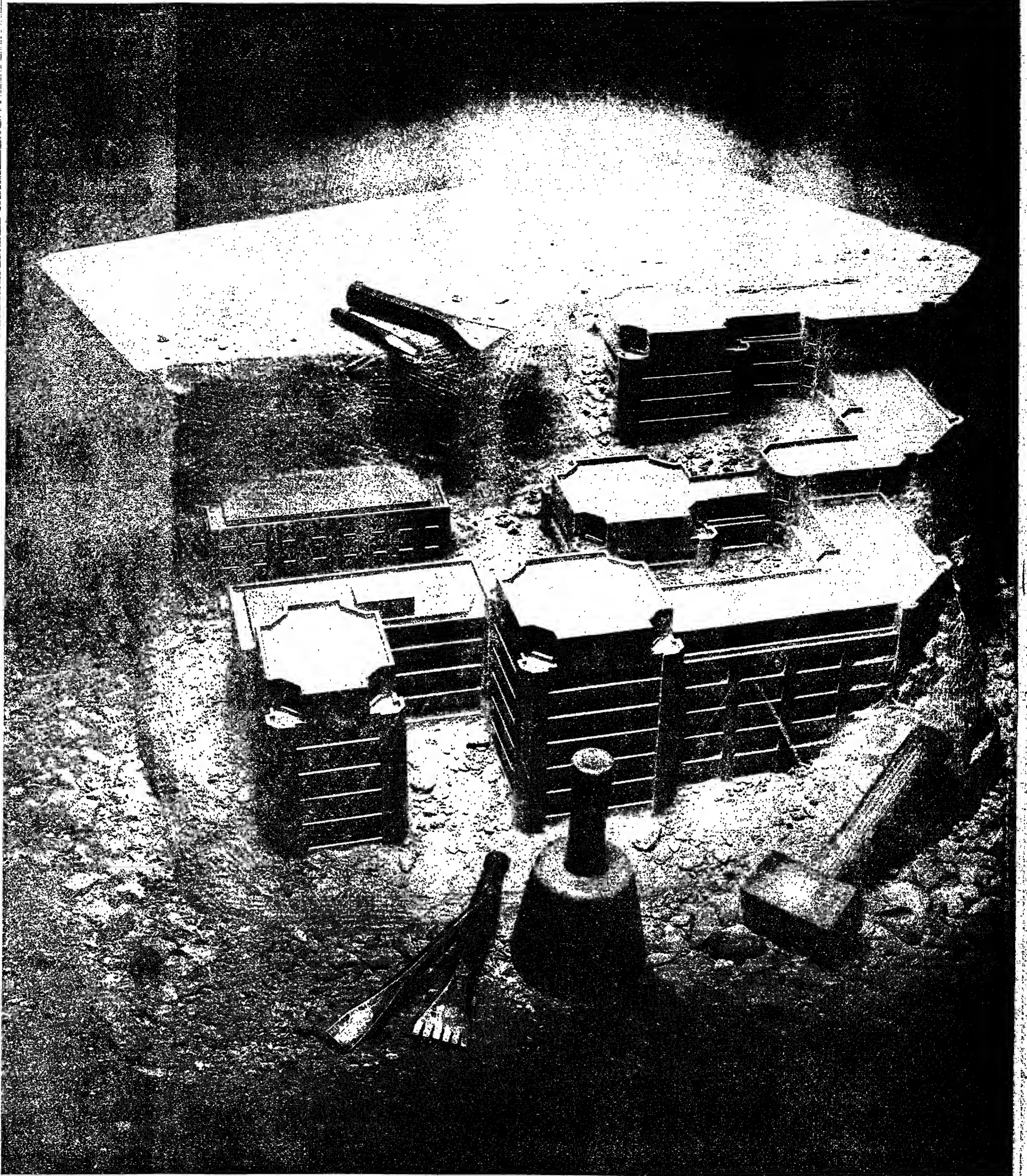
ANDREW WYLL GALLERY, 101, Piccadilly, London W.1. Tel: 01-734 2741. 7th-18 Oct. Exhibition: PETER DE WINT, Mon-Fri, 10.30-5.30. Sat, 11-5.30.

LOCAL AUTHORITY BONDS

Every Saturday the Financial Times publishes a table giving details of Local Authority Bonds on offer to the public. For advertising details please ring Brian Kelaart 01-248 8000 Extn. 266

Ebic: The combined experience of seven major international banks of Europe.

Ebic advertisement featuring logos of member banks: Amsterdam-Rotterdam Bank, Banca Commerciale Italiana, Credittanstalt-Bankverein, Deutsche Bank, Société Générale de Banque, Société Générale, and Midland Bank. Text: 'Wherever you are and whatever your financial needs, the chances are we can help you. Our 7 independent banks can offer you a lot of financial weight and expertise. We have 10,000 branches, over 200,000 people and our balance sheets, when combined, are in excess of \$280 billion. And that's just in Europe. World-wide we also have an Ebic network: In America, European American Bank. In Asia, European Asian Bank, in Hong Kong, Indonesia, Korea, Malaysia, Pakistan, Singapore, Thailand and The Philippines. Also specialised financial services are provided by Banque Européenne de Crédit in Brussels and European Banking Company in London. In the UK Midland Bank is the Ebic shareholder you should talk to. Finance for business wherever there's business.'



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But a block, no. We are proud to be creating a working environment with all the care of a work of art.

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LETTING AGENTS: RICHARD MAIN & CO. • BAKER HARRIS SAUNDERS • TEACHER MARKS & CO.

INTERNATIONAL COMPANIES and FINANCE

Companies and Markets

NORTH AMERICAN NEWS

Beech Aircraft agrees to \$600m Raytheon offer

RAYTHEON, a major U.S. contractor which manufactures missile systems, and electronic and computer equipment, has made a \$600m takeover bid for Beech Aircraft, the leader in the domestic turbo prop market.

Car insurance cut by Royal of Canada

By Robert Gibbons in Montreal. ROYAL INSURANCE Company of Canada, based in Toronto and the largest general insurer in the country, said yesterday that it is considering withdrawal from car insurance in British Columbia.

Intel takeover excludes insurance arrangements

NATIONAL Semi-Conductor, which yesterday took over the computer business of Intel, the troubled leasing company, said that it had not assumed the insurance policies which Intel had arranged with various insurers, including Lloyd's of London, to protect itself against changes in the fast-moving electronics market.

German stake in Bangor Punta

GREENWICH—Bangor Punta Corporation said that the diversified manufacturing group, Bisping Capital Investment, controlled by Herr Ferdinand von Galen, has acquired through open market purchases, 560,000 shares of Bangor Punta common stock, or 10.8 per cent.

W. German publisher pays \$50m for Arista

By Roger Boyce in Bonn. ARIOLA EURODISC, a subsidiary of the West German Bertelsmann publishing group, has bought Arista, the record-producing division of Columbia Pictures Industries, for about \$50m.

Energy-saving breakthrough claimed by Borg-Warner

Financial Times Reporter. BORG-WARNER, the diversified industrial group, yesterday announced what is claimed to be an energy-saving breakthrough, based on the use of micro-computers, which will significantly reduce energy consumption in air conditioning and other applications.

MEDIUM TERM FINANCE

Better terms for latest Asian loan

BY PHILIP BOWRING IN HONG KONG

IN SPITE of recent warnings from bankers that margins paid by Asian borrowers on the syndicated Eurocurrency loans market were starting to widen again, the latest issue for a Korean borrower suggests rather the opposite.

EUROBONDS

Bank of Tokyo (Curacao) issue

BY FRANCIS GHILES

A \$50M floating rate note issue for Bank of Tokyo (Curacao) Holding NV was launched last night by S. G. Warburg. The borrower is paying a coupon of 1 per cent over the three month London interbank offered rate with a minimum interest rate of 5 per cent.

Total commissions on this new issue amount to 2 1/4 per cent; 1 1/4 per cent selling group commission, plus management and underwriting fees of 1 per cent each.

The convertible Eurobond offering for Charter International Finance NV was increased by \$15m to a final figure of \$50m and priced at par by the lead manager, E. F. Hutton. The issue is convertible into Charter Company's New York-listed shares at \$48.75 a share.

Trading in the secondary straight dollar bond market yesterday was not only of a professional nature. Price falls of up to 1/8 per cent in prices yesterday morning triggered

U.S. bank and Barclays in Yugoslav link

By John Evans

MANUFACTURERS Hanover Trust Company of the U.S. and Britain's Barclays Bank International are linking with eight Yugoslav banks to form a London-based venture bank.

The consortium will be called Anglo-Yugoslav Bank, under an agreement reached yesterday.

The U.S. and British banks will each have a 25 per cent interest in the venture, while the remaining 50 per cent will be shared equally by the Yugoslav partners.

Manufacturers Hanover and Barclays already have a London joint-venture with another East European country, Romania.

They linked with the Romanian Bank for Foreign Trade to establish the Anglo-Romanian Bank.

Anglo-Yugoslav Bank will have an authorised share capital of \$5m, all in £1 shares issued and fully paid.

The Yugoslav side is represented by Udrivena Seogradsk BANKA, Ljubljanska BANKA Zdravna, Privredna Banka Zagreb, Stoanaska BANKA Zdravna, and Vojvodanska BANKA Zdravna.

Mr. Dwight G. Allen, executive vice-president of the international division of Manufacturers Hanover Trust in New York, said yesterday that the aim would be to develop new business, particularly in the growing economic activity between the three countries.

Eurex bond trading system in operation

BY OUR EUROMARKETS STAFF

EUREX, THE computerised bond trading system, began operating on Monday, September 24. The system is based in Luxembourg. According to Eurex, initial participants include 79 banks throughout Europe.

It will take a week or two before any volume of trade is expected to build up. Quite apart from the time it will take participants to feed all the information needed into their respective computers and learn to use the system fully, some banks have not yet had all the necessary IBM machinery installed while others are being held back by long delays in installing telephone lines and equipment necessary for transmissions.

US \$50,000,000 Multi-Currency Credit Facility

This announcement appears as a matter of record only. Wheelabrator-Frye Inc. The Bank of Tokyo, Ltd.

Mr. Bere said that the micro-computer could lead to further innovation. When applied to the centrifugal chiller of a commercial air conditioning unit, can save up to 30 per cent of the energy consumed by the chiller. Similarly the use of the inverter in place of mechanical throttling to vary the flow of water in a pumping system could save up to a third of energy consumed. Alternating current inverters have been in existence for over 20 years, but their high cost has limited their use.

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Agent Bank Mellon Bank, N.A. September 1979

FT INTERNATIONAL BOND SERVICE

The list shows the 200 latest international bond issues for which an adequate secondary market exists. For further details of these or other bonds see the complete list of Eurobond prices published on the second Monday of each month.

Table with columns: Issued, Bid, Offer, Change on week, Yield. Lists various international bond issues like Alex Howden NW 91 91, Australian Gov 91 91, etc.

OTHER STRAIGHTS. Table with columns: Issued, Bid, Offer, Change on week, Yield. Lists bonds like Nordic I. Gk. 84 SOR, Avco Fin. 104 85 CS, etc.

EUROBOND STRAIGHTS. Table with columns: Issued, Bid, Offer, Change on week, Yield. Lists Eurobonds like Anglo 7 89, Anglo 7 89, Anglo 7 89, etc.

CONVERTIBLE BONDS. Table with columns: Issued, Bid, Offer, Change on week, Yield. Lists convertible bonds like AGA Air/Boeing 7 88, Ansh Optimal 7 84, etc.

VEN STRAIGHTS. Table with columns: Issued, Bid, Offer, Change on week, Yield. Lists various Venetian bond issues like Australia 8 88, Australia 8 88, etc.

Notes: Only one market maker available... Straight bonds: The yield is the yield to redemption... Floating rate notes: Denominated in dollars unless otherwise indicated...

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INTERNATIONAL COMPANIES and FINANCE

U.S. group lifts Marelli stake

BY RUPERT CORNWELL IN ROME

WESTINGHOUSE Electric Corporation of the U.S. is understood to be planning to raise significantly its stake in the capital of Ercole Marelli, the Italian electric engineering concern, to which it already holds 5.9 per cent.

Nigeria holds Smurfit in check

By Our Financial Staff

A MODEST increase in pre-tax profits is reported by Jefferson Smurfit, the Irish paper and packaging group, for the six months ended July 1979.

SCANDINAVIAN BANKS

Norwegian merger approaches completion

BY FAY GJETER IN OSLO

THE MERGER of two of Norway's leading commercial banks, Christiania Bank og Kreditkasse and Andreassen Bank, was approved on Monday by the representative councils of both banks.

1980, after the two banks' 1979 accounts have been dealt with. Andreassen's operating expenses will, however, be borne by the new merged bank from January.

SVENSKA HANDELSBANKEN (SHB) predicts that the recent two-step increase in the Swedish discount rate from 6.5 to 8 per cent, as well as sharper competition for deposits, will help to bring about a slowdown in this year's rapid profit growth.

The rise in eight-month operating earnings was entirely due to a 26 per cent increase in net interest income to SKr 978m, while commission income declined by nearly 3 per cent to SKr 229m, and other revenue rose by 18 per cent to SKr 36m.

SHB has acquired a 22.7 per cent interest in the Swedish credit card company Kjøpfort, which in turn has a majority stake in Eurocard of Sweden.

Costa plans public issue

GENOA—The Costa group, a diversified shipping company, is issuing shares for the first time and plans eventually to sell them to the public.

Dutch control for four Swiss based banks

BY JOHN WICKS IN ZURICH

FOUR foreign-owned banks in Switzerland have merged to form Allgemeine Bank Nederland (Schweiz), with headquarters in Zurich and branches in Geneva and Chisasso.

Reduced loss from Belgian steelmaker

By Our Financial Staff

INCREASED output and sales have allowed the Belgian steelmaker, Clabecq, to reduce further its deficit on trading in the year ended June 30, 1979.

First phase investment by the German-Swiss joint venture chemical company, Sebide Chemie Brunsbüttel is to be increased by some 30 per cent to DM 650m.

The basic based insurance group, Baloise, is to participate in the capital of a subsidiary of Atlantica-Boavista, Brazil's leading insurance concern.

The company's net losses last year eased to BFR 468m (US\$11m) from the BFR 468m (US\$11m) in 1977-78.

U.S. \$20,000,000 Floating Rate U.S. Dollar Negotiable Certificates of Deposit, due 3rd April, 1981 THE SANWA BANK LIMITED LONDON

French travel agency buys Swiss stake

PARIS — Havas Tourisme, a French travel agency, has acquired a 50 per cent interest in Loulsrama, a Swiss tourism concern.

Turnover up on Swiss stock exchanges

By Our Zurich Correspondent SWISS STOCK exchanges are reporting marked rises over 1978 levels in business this year.

West German tyre maker expects to halve loss

BY DAVID MARSH METZELER KAUSCHUK, the loss-making tyre and rubber products subsidiary of German chemicals giant Bayer, expects this year to roughly halve its 1978 deficit of DM 100m (\$37.54m).

Schauman well ahead after eight months

By Lance Keyworth in Helsinki THE FINNISH forest products company, Oy Wilh. Schauman, had greatly improved results for the first eight months of the year.

SKr 150m bond for Swedish export credit

STOCKHOLM — Svensk Exportkredit, the Swedish export credit corporation, is raising a domestic bond at par of SKr 150m, adjustable 101 per cent over nine years.

SKr 150m bond for Swedish export credit. The interim report predicts a still better results for the whole of 1979, but makes no dividend forecast. However, slower growth is foreseen next year.

New Issue September 1979 All these bonds having been sold, this announcement appears as a matter of record only.

RoyLease Limited DM 60,000,000 Bonds due 1984 guaranteed by The Royal Bank of Canada WESTDEUTSCHE LANDESBANK GIROZENTRALE THE ROYAL BANK OF CANADA (LONDON) LIMITED ORION BANK LIMITED

ITALSTAT INTERNATIONAL S.A. GUARANTEED BY ITALSTAT S.p.A. U.S. \$25,000,000 TERM LOAN ARRANGED BY CITICORP INTERNATIONAL GROUP PROVIDED BY CITIBANK, N.A. GRINDLAYS BANK LIMITED TRINKAUS & BURKHARDT (INTERNATIONAL) S.A. BANK OF MONTREAL GULF INTERNATIONAL BANK B.S.C.

Dollfus moves back into the black BY OUR FINANCIAL STAFF THE FRENCH textile group, Dollfus Mieg has moved out of the red for the first half of 1979.

Thorn Electrical Industries Limited has acquired through merger Systron-Donner Corporation We acted as financial advisor to Thorn Electrical Industries Limited in this transaction. Goldman, Sachs & Co. New York Boston Chicago Dallas Detroit Houston Los Angeles Memphis Miami Philadelphia St. Louis San Francisco International subsidiaries: London Tokyo Zurich October 2, 1979

INTERNATIONAL COMPANIES and FINANCE

SA group buys BOC electronics offshoot

By Jim Jones in Johannesburg

A CONSORTIUM headed by African Finance Corporation (AFC), the South African investment company has bought Dowson and Dobson Electronics, the maker of communications and railway signalling equipment...

With the group in a cash-rich position, Johannesburg analysts feel that it is only a matter of time before Afrox announces acquisitions in industrial gas-related fields...

AFC's major non-portfolio interests are its controlling stake in Premier Paper and mineral and property rights through New Klainfontein. These are in addition to a R170m share portfolio managed for clients...

Electronics is one of South Africa's fastest growing industries, with recent trends away from foreign control towards new groupings under local ownership.

CAPITAL MARKETS

Australia makes a return to Tokyo

BY RICHARD C. HANSON IN TOKYO

AUSTRALIA is planning a substantial yen syndicated loan and public bond issue in Japan at a time when the pace of yen lending to overseas borrowers has slowed sharply. The Australian Government is negotiating with banks and securities houses on a total of Y70bn (\$310m) in borrowing, divided into a Y40bn syndicated loan and a Y30bn bond. Both are expected to be completed by December.

Own brand merchandise lifts Jusco sales. The company is planning a 10 per cent scrip issue at the end of the fiscal year...

Restricted steel plant spending in Japan

By Jim Jones in Johannesburg

TOYO—Nippon Kokan Kaisha (NKK) plans to cut its capital outlay for plant and equipment in fiscal 1980 starting next April to Y48.80bn (\$220m) from an estimated Y185.50bn this year. This followed the completion of its Ogishima steel works to replace the outdated Keihin steel factory, the company said.

Increase in corporate bond issues. TOKYO—Eleven corporate bonds worth a total of Y127bn (\$564ml) are to be floated on the Japanese capital market in October...

OECD

Important New Publications

- THE IMPACT OF THE NEWLY INDUSTRIALISING COUNTRIES on Production and Trade in Manufactures. Report by the Secretary-General June 1978. L593 USS12. F48
THE CASE FOR POSITIVE ADJUSTMENT POLICIES. A Compendium of OECD Occumants 1978-1979. Since 1973 OECD countries have had considerable difficulty in adjusting to higher energy prices...

Associated Japanese Bank (International) Limited. Extract from Audited Accounts. 28th Feb. 1979 vs 28th Feb. 1978. Share Capital: 7,000 vs 7,000; Retained Profit: 5,480 vs 4,279; Subordinated Loans: 12,353 vs 12,877...

Why you should consult the bank that placed 3100 dots on the map of Holland. The Centrale Rabobank heads a co-operative banking organisation with 3100 offices in Holland alone...

Mack Trucks, Inc. Floating Rate Senior Notes due 1984. \$25,000,000. We have arranged the private placement of these securities. WARBURG PARIBAS BECKER INCORPORATED. A.G. BECKER INCORPORATED. October 1979

Rembrandt country is Rabobank country. The country which inspired Rembrandt's internationally acclaimed masterpieces has inspired the Rabobank to create services of worldwide importance. For more information: Centrale Rabobank, International Division, Catharijnensingel 20, P.O. Box 8098, Utrecht, The Netherlands. Telephone 030-36 26 11. Telex 40200.

Modest Wall St. rally in active early trade

INVESTMENT DOLLAR PREMIUM Effective \$2.1910 15% (13%) AFTER SHEDDING a little more ground at the opening. Wall Street picked up in active dealings to register a modest net improvement at mid-session. The Dow Jones Industrial Average, following a reaction of some 14 points over the past two...

at about \$410 to \$415 an ounce around midday in New York. Glamours and Blue Chips were mostly firmer, as were Oils, but some Metals, particularly Gold shares, relinquished some ground. IBM, which unveiled a colour display terminal for computers, gained \$1 to \$58. General Motors added \$1 to \$63. It announced price increases for 1980 model cars. Da Fiat picked up to \$423, active RCA \$ to \$243, Eastman Kodak \$ to \$53, and Teletyne \$ to \$146. Among Gold shares, ASA lost \$1 to \$314. Rosarion Resources \$ to \$289 and Campbell Redlake \$ to \$225. Hecla Mining slipped to \$231. Callahan Mining \$1 to \$234 and Phelps Dodge \$1 to \$301. Among the actives, Mobill were unchanged at \$514. Texaco rose \$1 to \$330 and Tesoro Petroleum added \$1 to \$171. Beech Aircraft and Raytheon have agreed on a merger through an exchange of Raytheon shares for Beech shares. Raytheon rose \$1 to \$53, which had yet to trade, closed on Monday at \$59. STRENGTH IN Oil shares was the main factor behind an advance of 1.96 to 227.27 at 1 pm from the morning fixing and was trading

heavy trading. Volume 4.03m shares (1.99m). Canada Stocks were predominantly firmer in very active dealings yesterday morning. The Toronto Composite index moved ahead 8.0 to 1,761.5 at mid-day, while the Oils and Gas index advanced 33.6 to 3,384.5. Golds 21.8 to 2,241.4 and Metals and Minerals 11.8 to 1,629.0. In Montreal, Utilities rose 1.95 to 249.49 and Oils 0.26 to 314.15. 92 Oils issues gained strength as Hindeco Bay Oil, CSSS, and Husky Oil, CST1, rose \$11 apiece, while Shell Canada added \$1 to \$331. Tokyo The market continued to retreat from its recent record high level, reflecting increased profit-taking, worries over a Government move to increase corporate taxes and news that Indonesia's National Oil Company (Pertamina) has informed Japanese clients that it wishes to raise spot prices for crude oil by \$11 to \$13 a barrel, beginning in October. Trading was active, although share volume, at 430m shares, was well below Monday's heavy 700m. The Nikkei-Dow Jones Average receded \$2.77 more to

lost 2.8 at 787.6. Export-Oriented issues suffered chiefly from the weak U.S. currency, with Lunde shedding DM 2 and GFA 50 pennings but Demag gained DM 1 against the trend. Among Electricals, Varta receded DM 1 and AEG, in particular, active trading, eased 80 pennings to 1979 low of DM 39.00, but Brown Boveri countered the trend to post an impressive gain of DM 2.50. Stores were broadly down, with Kauffhoff of DM 2 and Herten DM 1. Public Authority Bonds shed up to 15 pennings, and the Bundesbank sold DM 12.6m nominal net paper after sales of DM 7.2m the previous day. Mark-denominated Foreign Loans were slightly weaker. Paris The market again closed mixed but with gaining issues slightly in the majority. Operators cited conflicting elements. A cut of 1 in the Call Money rate to 11 1/2 per cent, profit-taking and continued concern over the steep rise in the price of gold. Among the selective bright spots, Macellio Bull were up 1 per cent, Cresson-Lohr about the same amount, Penarroya 6 per cent and Comfeg 5 per cent. Alstom, which expects to win a FFr 500m China contract, rose 2 FFr to FFr 77.50. Hong Kong Stock prices closed firmer for choice on a balance after local interest in Properties and other selected shares led the market upwards following a fresh bout of profit-taking during the working. The Hang Seng Index gained 3.21 on the day to 650.95.

NEW YORK - Dow Jones Table with columns for Oct 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31. Includes sub-tables for Standard and Poors, N.Y.S.E. All Common, and Monday's Active Stocks.

NEW YORK Stock Table with columns for Stock, Oct 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31.

NEW YORK Stock Table with columns for Stock, Oct 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31.

NEW YORK Stock Table with columns for Stock, Oct 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31.

NEW YORK Stock Table with columns for Stock, Oct 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31.

NEW YORK Stock Table with columns for Stock, Oct 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31.

EUROPEAN OPTIONS EXCHANGE Table with columns for Series, Vol., Oct., Last, Jan., Last, April, Last, Stock.

BASE LENDING RATES Table with columns for Bank, Rate, and other details.

BRUSSELS/LUXEMBOURG Table with columns for Price, +/-, Div., Yield, and other financial metrics.

TOKYO Table with columns for Price, +/-, Div., Yield, and other financial metrics.

AMSTERDAM Table with columns for Price, +/-, Div., Yield, and other financial metrics.

EUROPEAN OPTIONS EXCHANGE Table with columns for Series, Vol., Oct., Last, Jan., Last, April, Last, Stock.

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TOKYO Table with columns for Price, +/-, Div., Yield, and other financial metrics.

AMSTERDAM Table with columns for Price, +/-, Div., Yield, and other financial metrics.

Companies and Markets

COMMODITIES AND AGRICULTURE

U.S. feed record forecast

WASHINGTON — The U.S. Department of Agriculture announced that exports of feed grain...

Commodity markets hit by gold fluctuations

METAL AND commodity markets were thrown into turmoil yesterday as the prices of gold, silver and copper fluctuated wildly in the afternoon...

Dutch seek backing in pork row

THE NETHERLANDS has asked the EEC Commission for support in a growing row with Germany over the closure of the border on Monday...

Grain stocks cover £2bn crop losses

THE LOSS of foodgrain in the countryside drought in India is estimated at a massive Rs 35bn (about £2bn)...

Japanese rice crop lower

TOKYO — Japan will have a rice harvest of about 12m tonnes in the rice year ending this month...

Milk powder surplus shrinks

THE Common Market's "mountain" of skimmed milk powder recently more than 1bn tonnes and source of inspiration for retailers of scandalous stories...

Hong Kong soya futures

HONG KONG — The Government is expected shortly to give the Hong Kong commodity exchange formal approval to start trading soybean futures contracts...

Price of farm land slips

THE PRICE of farm land in England slipped marginally in the three months to the end of August, the Ministry of Agriculture announced yesterday...

U.S. plan to expand calcined bauxite stocks

GEORGETOWN — The U.S. is considering a substantial expansion of its strategic stockpile of calcined bauxite...

Thai Kenaf output falls

BANGKOK — Thai Kenaf production in the season ending this month is expected to drop to 250,000 tonnes from 320,000 tonnes in the previous season...

BRITISH COMMODITY MARKETS

Table with columns for BASE METALS, COPPER, ZINC, and other commodity prices.

COCOA

Table with columns for COCOA prices, including various grades and origins.

PRICE CHANGES

Table with columns for PRICE CHANGES in various commodities.

AMERICAN MARKETS

Table with columns for AMERICAN MARKETS, including various commodity prices.

INSURANCE BASE RATES

Table with columns for INSURANCE BASE RATES, including Property Growth and other metrics.

COFFEE

Table with columns for COFFEE prices, including various grades and origins.

SOYBEAN MEAL

Table with columns for SOYBEAN MEAL prices, including various grades and origins.

EUROPEAN MARKETS

Table with columns for EUROPEAN MARKETS, including various commodity prices.

CORAL INDEX

Table with columns for CORAL INDEX, including Close and other metrics.

GRAINS

Table with columns for GRAINS prices, including various types of grain.

SUGAR

Table with columns for SUGAR prices, including various grades and origins.

WOOL FUTURES

Table with columns for WOOL FUTURES prices, including various grades and origins.

WE are pleased to announce that

Advertisement for HUGO J. GELARDIN, Chairman of the Board, featuring contact information and company details.

SILVER

Table with columns for SILVER prices, including various grades and origins.

WHEAT

Table with columns for WHEAT prices, including various grades and origins.

INDICES

Table with columns for INDICES, including various market indices.

IMPORTED WHEAT

Table with columns for IMPORTED WHEAT prices, including various grades and origins.

MEAT/VEGETABLES

Table with columns for MEAT/VEGETABLES prices, including various types of meat and vegetables.

REUTERS

Table with columns for REUTERS, including various market data.

JUTE

Table with columns for JUTE prices, including various grades and origins.

COTTON

Table with columns for COTTON prices, including various grades and origins.

DOW JONES

Table with columns for DOW JONES, including various market data.

AUTHORISED UNIT TRUSTS

Table of authorized unit trusts including Abbey Unit Tr. Mngs., Abbey Unit Tr. Mngs. (2), Abbey Unit Tr. Mngs. (3), etc.

Actual Unit Trust Managers (all)

Table of actual unit trust managers including Abbey Unit Tr. Mngs., Abbey Unit Tr. Mngs. (2), Abbey Unit Tr. Mngs. (3), etc.

Offshore & Overseas Funds

Table of offshore and overseas funds including Alexander Fund, Allen Harvey & Ross Inv. Mgt., etc.

OFFSHORE & OVERSEAS FUNDS

Table of offshore and overseas funds including Alexander Fund, Allen Harvey & Ross Inv. Mgt., etc.

NOTES: Prices do not include 5 pence stamp when indicated, and are to be paid unless otherwise indicated.

INSURANCE & PROPERTY FUNDS

Table of insurance and property funds including Abbey Life Assurance Co. Ltd., Crown Life Assurance, etc.

INSURANCE & PROPERTY FUNDS

Table of insurance and property funds including Abbey Life Assurance Co. Ltd., Crown Life Assurance, etc.

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Table of insurance and property funds including Abbey Life Assurance Co. Ltd., Crown Life Assurance, etc.

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FOOD, GROCERIES—Cont.

Table of stock prices for various food and grocery companies, including columns for stock name, price, and change.

HOTELS AND CATERERS

Table of stock prices for hotels and caterers, including columns for stock name, price, and change.

INDUSTRIALS (Miscel.)

Table of stock prices for various industrial companies, including columns for stock name, price, and change.

FT SHARE INFORMATION SERVICE

FOREIGN BONDS & RAILS

Table of foreign bonds and rail stock prices, including columns for stock name, price, and change.

BANKS & HP—Continued

Table of bank and hire purchase stock prices, including columns for stock name, price, and change.

CHEMICALS, PLASTICS—Cont.

Table of chemical and plastic stock prices, including columns for stock name, price, and change.

ENGINEERING—Continued

Table of engineering stock prices, including columns for stock name, price, and change.

Stewart Wrightson International Insurance Brokers for USA & Canada. Includes logo and contact information.

BRITISH FUNDS

Table of British fund prices, including columns for fund name, price, and change.

AMERICANS

Table of American stock prices, including columns for stock name, price, and change.

HIRE PURCHASE, etc.

Table of hire purchase and other financial services, including columns for company name, price, and change.

BEERS, WINES AND SPIRITS

Table of beer, wine, and spirit stock prices, including columns for stock name, price, and change.

DRAPERY AND STORES

Table of drapery and store stock prices, including columns for stock name, price, and change.

BUILDING INDUSTRY, TIMBER AND ROADS

Table of building industry, timber, and road stock prices, including columns for stock name, price, and change.

ELECTRICALS

Table of electrical stock prices, including columns for stock name, price, and change.

INTERNATIONAL BANK

Table of international bank stock prices, including columns for bank name, price, and change.

CANADIANS

Table of Canadian stock prices, including columns for stock name, price, and change.

BANKS AND HIRE PURCHASE

Table of bank and hire purchase stock prices, including columns for stock name, price, and change.

WIRELESS

Table of wireless stock prices, including columns for stock name, price, and change.

COMMONWEALTH & AFRICAN LOANS

Table of commonwealth and African loan stock prices, including columns for loan name, price, and change.

LOANS

Table of various loan stock prices, including columns for loan name, price, and change.

FINANCIAL

Table of financial stock prices, including columns for stock name, price, and change.

WIRELESS

Table of wireless stock prices, including columns for stock name, price, and change.

ELECTRICALS

Table of electrical stock prices, including columns for stock name, price, and change.

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FOOD, GROCERIES, ETC.

Table of stock prices for food, groceries, and other related companies, including columns for stock name, price, and change.

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INDUSTRIALS—Continued

Table of industrial stocks including Shell, British Petroleum, and various manufacturing companies with columns for stock price, price change, and volume.

INSURANCE—Continued

Table of insurance stocks including London & Lancashire, Royal Indemnity, and other insurance providers.

PROPERTY—Continued

Table of property-related stocks including various real estate and construction companies.

INVESTMENT TRUSTS—Cont.

Table of investment trusts including various funds and trusts offering different asset classes.

FINANCE, LAND—Continued

Table of finance and land-related stocks including banks, insurance, and land development companies.

International Financier DAIWA SECURITIES logo and branding.

MINES—Continued AUSTRALIAN

Table of Australian mining stocks including various iron ore and coal mines.

OILS

Table of oil stocks including various energy and oil-related companies.

OVERSEAS TRADERS

Table of overseas trading companies and their stock prices.

RUBBERS AND SISALS

Table of rubber and sisal stocks including various commodity producers.

TEAS India and Bangladesh

Table of tea stocks from India and Bangladesh.

CENTRAL RAND

Table of central rand mining stocks.

EASTERN RAND

Table of eastern rand mining stocks.

FAR WEST RAND

Table of far west rand mining stocks.

FINANCE

Table of finance-related stocks.

INSURANCE

Table of insurance stocks (repeated).

PROPERTY

Table of property stocks (repeated).

TRUSTS, FINANCE, LAND

Table of trusts, finance, and land stocks (repeated).

FINANCE, LAND, etc.

Table of finance, land, and other stocks (repeated).

DIAMOND AND PLATINUM

Table of diamond and platinum stocks.

TINS

Table of tin stocks.

MISCELLANEOUS

Table of miscellaneous stocks.

GOLDS EX-S-PREMIUM

Table of gold stocks (ex-s-premium).

NOTES

Notes section containing various financial notices and announcements.

REGIONAL MARKETS

Table of regional market data.

OPTIONS 3-month Call Rates

Table of 3-month call option rates.

REGIONAL MARKETS (continued)

Table of regional market data (continued).

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Provisionals reject plea by Pope—'violence will continue'

BY PAUL BETTS IN DUBLIN

POPE JOHN PAUL'S plea for an immediate end to violence in Northern Ireland has been rejected by the Provisional IRA in a statement issued in Belfast a day after the Pope left for the U.S. after his three-day visit to the Irish Republic. The Provisionals said they would continue to use violence. They believed "in all conscience that force is the only means of removing the evil of the British presence in Ireland."

appointment yesterday was that of Mr. Jack Hermon, who is to succeed Sir Kenneth Newman as chief constable of the Royal Ulster Constabulary. In his Belfast statement, Mr. Atkins said his current talks with party leaders in Ulster were "hearing fruit."

The Queen's Speech, however, contained a watered-down version of the Conservatives' promise of regional councils. It merely said the Government would look for ways of restoring more autonomy at a local level in Northern Ireland.

This incident, and the ambush of an army patrol the previous day, served to strengthen the belief that the Pope's weekend appeal can have no immediate effect on the operations of the terrorists.

Pope calls for end to oppression, Page 6

Northern Ireland greater responsibility for their own affairs. He had been carefully and patiently talking to the political leaders to explore the best way to do this. He was talking to his colleagues in Government about these efforts.

gap between the Secretary of State's office and the relatively powerless local councils is difficult to envisage. Whether a way forward has been identified remains a secret. Mr. Atkins yesterday said the Rev. Ian Paisley, Mr. Gerry Fitz, of the Social Democratic and Labour Party, and Mr. James Molynaux, the Official Unionist leader, and underlined strongly that all his meetings were in private.

The Official Unionist Party said last night that Provisional Sinn Fein had done what Loyalists had expected of it by trying to use the Pope's words to gain credibility for the Republican movement. Questioned in Dublin yesterday, Mr. Rory O'Brady, president of the Provisional Sinn Fein, and Mr. David O'Connell, a former head of the Republican movement, were clearly embarrassed by the implications of the Pope's visit on their sympathisers in the Roman Catholic community.

Ministers sceptical on State borrowing

By Jurek Martin and Peter Riddell in Belgrade

THE GOVERNMENT is sceptical about the increasingly widespread suggestions that public sector borrowing should be allowed to rise next year in the UK as a result of the expected recession. This is of key importance for fiscal policy. If this attitude is maintained by Conservative ministers, there will be little room for manoeuvre on taxation in the next budget.

THE LEX COLUMN Shell gears up to buy Belridge

Index rose 2.3 to 469.1

With analysts in London and New York still pondering the wisdom of Shell Oil's mammoth bid for Belridge Oil, the European parent was playing down the overall financial impact yesterday. Depending on how the deal develops and whether two existing shareholders, Texas and Mobil, retain minority stakes, the deal could cost Shell Oil anywhere between \$2bn and \$3.65bn.

There are, of course, several important points on which the Nightingale operation set-up can be criticised. One market-maker cannot constitute a proper competing operators have appeared. Moreover, its normal policy of acquiring a warrant to buy up to 5 per cent of companies in its stable raises a possibility that conflicts of interest might sometimes arise in its market making.

tax rebates, may choose to repay, especially with telephone bills falling due. Towards Christmas the lagged effects of the present strike on engineering company credit demand will start to show through strongly. It looks as though the gutted market may be in for an improvement in the bank lending position, swiftly followed by another deterioration. It would be easier for the market to be relaxed about this if it were more certain that public expenditure cuts would have a substantial effect on the public sector's contribution to money supply growth.

Shotton must soon end steel producing

By Philip Bassett and Roy Hodson

THE British Steel Corporation yesterday told TUC steel union leaders that it wanted to begin phasing out steelmaking at the Shotton plant in North Wales in December. The Government had earlier told a delegation of Shotton steelworkers and local authority officials that it had no intention of saving steelmaking at the plant by taking it out of the Corporation's hand and running it as a separate entity.

Egypt negotiating \$5bn Sinai oil sales deal

BY ROGER MATTHEWS IN CAIRO

EGYPT IS negotiating a \$5bn long-term contract for the sale of crude oil, according to President Sadat. Addressing university teaching staff in Cairo, Mr. Sadat revealed that Mustapha Khalil, Prime Minister, was holding talks with an unnamed group for the sale of oil from wells in Sinai, including those due to be returned by Israel on November 26.

Western oil experts and senior Egyptian officials were unable to shed any light on the President's statement. It is unclear whether he was referring to the Alma Field, due to be handed back next month, to the sale of concessions in Sinai, or to a more general assessment of undiscovered oil in the area.

2m tonnes of oil. But the Egyptian Government has, in the past few months, been taking full advantage of the buoyant spot market and selling oil for up to \$32 a barrel. Egypt has been a net exporter of oil for more than three years. It estimates that it will earn more than \$800m this year from sales. The official forecast for next year is \$1.2bn.

Eight nations bid for Australian uranium

BY KENNETH MARSTON, MINING EDITOR

BIDS FROM Australia, the U.S., Italy, Korea, France, Canada and the UK have been received by the Australian Government for its half share in the A\$300m (£154m) Ranger uranium venture. It is believed that in all, inquiries have come from 50 companies and agencies, while 16 firm tenders have been submitted. The bids are due to be opened today by Mr. Doug Anthony, Australia's Trade and Resources Minister.

France snubs UK effort to end fishery dispute

BY CHRISTOPHER PARKES

FRANCE HAS snubbed British advances aimed at resolving the three-year-old Common Market debate on reform of the common fisheries policy. The rebuff and the lack of response to requests for the French blockade of British herring exports may force these issues to surface at the EEC heads of government meeting in Dublin next month. Whitehall officials warned yesterday.

BL needs further £200m aid

BY ARTHUR SMITH, MIDLANDS CORRESPONDENT

BL WILL need an extra £200m from the Government to support its planned £1.5bn investment programme during the next six years, according to Sir Michael Edwards, BL chairman. But he has warned union leaders that he will not approach the Government for the funds unless he can obtain prior commitment to his strategy for plant closures and 25,000 redundancies.

IMF meeting

Continued from Page 1

pointed to different intervention techniques used by the New York Fed and the Bundesbank. He also referred to the possibility of more vigorous intervention in the Far Eastern markets, whose prices often determine trends in Europe and New York, which open much later in the trading day.

Counter arguments M. J. H. Nightingale and Co., with its so-called "over-the-counter" market currently embracing the securities of 14 companies, is unlikely to think much of the suggestion that it should seek membership of the Stock Exchange. The invitation, if it can be called that, comes unofficially from Mr. Graham Ross Russell, a member of the Council of the Stock Exchange in the latest issue of the Journal of the Society of Investment Analysts.

Tax takes Now that the gutted market seems to have made up its mind that money supply growth, especially the bank lending component, will be satisfactory in the month to mid-September, it is looking ahead later in the autumn. The figures then will be distorted by tax changes in the month to mid-November something over £1bn of income tax rebates will be paid by the Exchequer, but the extra tax take from higher rate VAT for the July-September quarter will largely offset it.

Table with 3 columns: Location, Forecast, and Remarks. Includes UK TODAY and WORLDWIDE sections.

Weather section featuring a map of Australia and the text 'The vital link'.

The vital link advertisement for Commonwealth Trading Bank of Australia.

Court of Justice later this week which is expected to declare that Britain's unilateral conservation controls on fishing are illegal. Last month Mr. Peter Walker, Minister of Agriculture, wrote to his EEC counterparts asking for bilateral discussions on reform of the common fisheries policy.

Table with 3 columns: Y/day, Y/day, Y/day. Lists various locations and their corresponding values.